

1 BEFORE THE PLANNING COMMISSION
2 OF THE CITY OF WEST HOLLYWOOD
3 COUNTY OF LOS ANGELES, STATE OF CALIFORNIA
4 In the Matter of Planning Commission Agenda Minutes

5
6 Address:)
7 West Hollywood Park Public Meeting Room)
8 625 N. San Vicente Boulevard)
9 West Hollywood, California)
10 _____)

11 DATE OF MEETING: June 2, 2016

12 PLANNING COMMISSION:

STAFF:

13 John Altschul, Chair

John Keho, Assit. Director, CDD

14 David Aghaei, Vice-Chair

Jennifer Alkire, Acting Plan Mg.

15 Sue Buckner, Commissioner

Stephanie Reich, Urban Designer

16 Donald DeLuccio, Commissioner

Chris Uszler, RSH Coordinator

17 Roy Huebner, Commissioner

Lauren Langer, Acting City Atty

18 Stacey Jones, Commissioner

David Gillig, Comm. Secretary

19 Sheila Lightfoot, Commissioner

20 And Public Speakers.

Consultants:

21 John Lesak, Principal, P & T

22 Flora Chou, Preserv. Plan, P & T

23 Donovan Rypkema, Principal

24 Place Economics

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Planning Commission Meeting

Thursday, June 2, 2016

ITEM 2. PLEDGE OF ALLEGIANCE

Altschul: (INAUDIBLE) to order. Rob Bergstein will lead the Pledge of Allegiance.

Bergstein: I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one Nation under God, indivisible with liberty and justice for all.

ITEM 3. ROLL CALL

Altschul: Roll call, David?

Gillig: Good evening Commissioner Lightfoot?

Lightfoot: Here.

Gillig: Commissioner Jones?

Jones: Present.

Gillig: Commissioner Huebner?

Huebner: Here.

Gillig: Commissioner DeLuccio?

DeLuccio: Here.

Gillig: Commissioner Buckner?

Buckner: Here.

Gillig: Commissioner Aghaei?

Aghaei: Here.

1 **Gillig:** Chair Altschul?

2 **Altschul:** Here.

3 **Gillig:** And we have a quorum.

4 **ITEM 4. APPROVAL OF THE AGENDA**

5 **Altschul:** Is there a motion to approve the agenda?

6 **DeLuccio:** I made a motion.

7 **Huebner:** I'll second.

8 **Altschul:** All those in favor?

9 **All:** Aye.

10 **ITEM 5. APPROVAL OF MINUTES**

11 **Altschul:** Any opposed to the agenda approved. Is there a
12 motion to approve the minutes of May 5, 2016. If
13 not, is there a motion to approve those minutes?

14 **DeLuccio:** Uh-huh (AFFIRMATIVE).

15 **Buckner:** Yes.

16 **Altschul:** Is there a second? Approved be a motion by
17 DeLuccio, a second by Buckner. All those in favor?

18 **All:** Aye.

19 **Altschul:** Any opposed? None. The minutes are approved. Is
20 there public speakers....

21 **Huebner:** And I need to abstain.

22 **ITEM 6. PUBLIC COMMENT**

23 **Gillig:** We have two. Our first one is Rob Bergstein.

24 **Huebner:** I need to abstain on the minutes.

1 **Altschul:** Roy abstained.

2 **Gillig:** Okay.

3 **Buckner:** You weren't here.

4 **Altschul:** Public comment David.

5 **Gillig:** Our first speaker is Rob Bergstein, followed by
6 Genevieve Morrill.

7 **Altschul:** I think it's Bergstein.

8 **Bergstein:** We don't know. Stein, Stine, I answer to both.

9 Good evening, Honorable Commissioners, my name is
10 Rob Bergstein, resident of West Hollywood. I'm
11 here tonight in my role as a member of the Rent
12 Stabilization Commission. I am the liaison to your
13 Commission and from time to time I'll come to your
14 meetings when there's a crossover involving
15 housing. I think all of you know how to find me,
16 but just in case you don't, I've left my cards for
17 you to be able to reach out. I'm always available
18 to comment and as long as I'm up here, so I have to
19 say for the entire meeting, I'll just briefly say
20 as a resident and landlord I'm in favor of staff's
21 proposal 11-A. Thank you.

22 **Altschul:** Thank you. Next?

23 **Gillig:** Genevieve Morrill? And that will be our last
24 speaker.

1 **Morrill:** Good evening, Chair, Mr. Chairman and
2 Commissioners, Genevieve Morrill, resident of
3 Marina Del Rey and here in my capacity as CEO and
4 President of the West Hollywood Chamber of
5 Commerce. I haven't seen you in a long time. I
6 just wanted to...a couple of announcements. One is
7 hot off the press. Our Works magazine, it's our
8 pride issue and it's chock full of one city, one
9 pride events as well as L.A. Pride. I also wanted
10 to ask you to save the date for our State of the
11 City event in partnership with the City of West
12 Hollywood, which is going to be June 23rd, from
13 5:00 to 8:00 at the London and our focus is on
14 small business and then just remind everyone to
15 eat, shop, play, WEHO.com and we have a new site,
16 so I'd love for you to check it out. Our website
17 is received about almost seven million hits last
18 year for lead referrals so our directory alone is
19 getting about 15,000 a day of referrals from our
20 directory, so please utilize it at Wehochamber.com.
21 Just a reminder for everyone to vote on June 7th.
22 It's pretty important. Thanks.

23 **Altschul:** David, do we have any speakers on Item 10.A, the
24 Yummy matter?

1 **Gillig:** We have no public speakers. We just have the
2 applicants.

3 **Altschul:** All right. Jennifer, do you have, you
4 have...where's Jennifer? Ah, Jennifer, do we
5 have...you have one amendment to the staff report
6 please.

7 **Alkire:** Yes, so since the staff report was published, there
8 have been concerns about having small individual
9 bottles of alcohol for sale that are smaller than a
10 standard size bottle of wine which is about 750
11 milliliters. So I proposed to add a condition to
12 the resolution which would prohibit the individual
13 sales of beer, wine or liquor that are smaller than
14 750 milliliters. They could still buy a six pack
15 of beer or so forth, but not individual bottles.

16 **Altschul:** And the Applicant has agreed to that?

17 **Alkire:** They are amenable to that, yes.

18 **Altschul:** Okay. With that amendment, I would propose to move
19 that item to the consent calendar (talking over).

20 **DeLuccio:** Is that possible to do, to move to consent, that
21 item?

22 **Male:** (INAUDIBLE).

23 **DeLuccio:** Yeah, can we....

24 **Langer:** If you don't have any speaker cards that are here

1 for the public hearing you can.

2 **DeLuccio:** We don't need to open the public and close the
3 public hearing on that item? We can just for the
4 condition use to clear it we can just move it to a
5 consent calendar?

6 **Altschul:** (INAUDIBLE) all the time.

7 **DeLuccio:** This is the...but it's the...this is a public
8 hearing.

9 **Buckner:** However.

10 **Altschul:** Does it all the time.

11 **Buckner:** Mr. Chair?

12 **DeLuccio:** Not in public hearings I don't think they do that,
13 do they?

14 **Altschul:** Yes, they do.

15 **Buckner:** However, Mr. Chair, public wouldn't have had notice
16 of the amendment because it wasn't part of the
17 staff report, so I'm a little uncomfortable about
18 moving it as a consent item without having an
19 opportunity for public to comment if they wanted
20 to.

21 **Altschul:** There are no speakers.

22 **Buckner:** I understand, but they didn't know that there was
23 going to be an amendment. Maybe they were willing
24 to let it go through as a consent item as it was

1 written, but not with an amendment.

2 **Altschul:** Okay, anybody want to speak?

3 **Buckner:** Well I'm speaking to it and I would like to have
4 the matter continued to the next meeting with the
5 amendment attached so that, so that the public has
6 an opportunity to respond or the, the stakeholders
7 who may be affected would have an opportunity to
8 comment if they have comments. Otherwise, it could
9 go through as consent if there isn't at the next
10 meeting.

11 **DeLuccio:** I...well that was my point though to continue it. I
12 actually think what they're doing in the resolution
13 they're actually strengthening the resolution by
14 putting that condition in. My thing is, I thought
15 it was kind of unusual that we would move something
16 like this to the consent calendar realizing there's
17 no people here to speak, no members of the public.
18 I just thought we really should go through the
19 procedure and I actually had a couple, I had a
20 couple of questions of the applicant before I was,
21 I was ready.

22 **Altschul:** Let's go through the process.

23 **DeLuccio:** Okay.

24 **Altschul:** Staff report, do you have anything else Jennifer?

1 Yes, let's go.

2 **Alkire:** Are we taking this item now?

3 **Altschul:** Yes.

4 **Various:** What about the Director's report?

5 **Altschul:** They what?

6 **Aghaei:** (TALKING OVER) report and then items from
7 Commissioners.

8 **Altschul:** Oh, I...hang on. Director's Report. Let's have a
9 Director.

10 **ITEM 7. ITEMS FROM COMMISSIONERS**

11 **Keho:** Thank you, Chair, and members of the Commission.
12 Just want to provide a brief update on action that
13 the City Council took at the May 16th agenda that
14 relate to community development items. I took two,
15 action on two items related to Historic
16 Preservation. They approved a contract with
17 Historic Resources group. We're hiring that firm
18 to undertake a historic survey of the neighborhood
19 between Genesee and Gardner on Norton, Lexington
20 and Hampton Avenues. That's an area, a collection
21 of Craftsman's homes from the early 20th Century so
22 we'll be taking a look at that to see if that's a
23 historic district. Another item the Council did on
24 the 16th was they approved the designation of a

1 multi-family structure at 1311 to 1317 North
2 Hayworth as a designated cultural resource so
3 that's another building that's been designated.
4 And also the City Council received an update on our
5 seismic retrofit study. Some of you may be aware
6 that we've been looking at all the buildings in
7 West Hollywood to see how they might fare an
8 earthquake, so we've hired some consultants to help
9 us with that. The consultants have visually
10 assessed and catalogued all the buildings in the
11 City and they're currently analyzing a preliminary
12 data and performing additional document research on
13 all those buildings. We're working with the
14 consultant on the development of a seismic retrofit
15 ordinance that would actually have people do things
16 to their buildings and as part of this effort we've
17 created an advisory group to help us develop that
18 ordinance. The advisory group consists of
19 residential and commercial property owners,
20 representatives from the Planning Commissioner,
21 Commissioner Huebner is on that, representatives
22 from the HPC Architects and Engineers. The first
23 meeting of the advisory group was held yesterday
24 and I believe there are three more to go and then

1 later on this summer we'll bring this item to the
2 Commission as an informational item for the
3 Commission to hear on what we plan to do on the
4 seismic issues. So that's all I have for tonight.

5 **Altschul:** Any questions? Okay. Thank you.

6 **Aghaei:** Oh, I have a question.

7 **Altschul:** Yes?

8 **Aghaei:** You guys haven't posted yet like anything as far as
9 the results of...not the results but any of the
10 findings yet or is it still....

11 **Keho:** No, not yet.

12 **Aghaei:** Okay, understood.

13 **ITEM 8. ITEMS FROM COMMISSIONERS**

14 **Altschul:** Any other questions? Okay. Items from
15 Commissioners? Sheila?

16 **Lightfoot:** No, sir.

17 **Altschul:** Sue?

18 **Buckner:** Not at this time, thank you.

19 **Altschul:** David?

20 **Aghaei:** Not at this time.

21 **Altschul:** Roy?

22 **Huebner:** Not at this time, thank you.

23 **Altschul:** Stacey?

24 **Jones:** Yes, actually there is a street media ad hoc. I

1 have to look at the name of it or I'm going to get
2 it wrong. The Street Media Ad Hoc Design Committee
3 is June 7th, next Tuesday at 5:00 p.m. I am not
4 going to be able to attend and I was asked to
5 surface it at this meeting if there can be someone
6 from the Commission who can go in my place.

7 **Altschul:** Anybody available? The Street Media Ad Hoc
8 Committee.

9 **DeLuccio:** When?

10 **Jones:** It's on Tuesday at 5:00 p.m.

11 **Altschul:** Next Tuesday?

12 **Jones:** Yes.

13 **Altschul:** That's Election Day?

14 **Jones:** Yes. We, we will be seeing presentations or you
15 will be seeing a presentation, whoever goes, about
16 the bus shelters that are being proposed.

17 **Altschul:** Bus shelters. Sheila, can you go?

18 **Lightfoot:** If no one else would like to do it, I'll do it for
19 you Stacey.

20 **Jones:** I'll send you an e-mail, Sheila, yeah. I just
21 wanted to make sure that was on record for everyone
22 (talking over).

23 **Altschul:** Thank you, that would be very, very nice. Offer
24 accepted. Donald?

1 **DeLuccio:** I have no comment, thank you.

2 **Altschul:** And I do not either. So, and we'll move to the
3 consent calendar. Sheila, you have a comment?

4 **ITEM 9. CONSENT CALENDAR**

5 **Lightfoot:** Yes, I just would like to make a comment that on
6 9.A., 916 Westbourne, I am going to vote yes to
7 clarify that that is, that is the correct language
8 for what the Commission decided, but I'd like to
9 register my no vote on the project.

10 **Altschul:** Which you did on the project before.

11 **Lightfoot:** Which I did when we...when it came before us.

12 **Altschul:** Is there a motion to approve the consent calendar?

13 **DeLuccio:** I have a comment actually first. Also, I'll make a
14 motion to...for the consent calendar, but....

15 **Altschul:** Is there a second to that motion? I'll second it.

16 **DeLuccio:** Jennifer, I had a question. I, I noticed in the
17 resolution in front of me on page two of 16 and it
18 may have been corrected online when I went to look
19 at the packet online. It says on page two of 16,
20 the bottom section 5.A., it talks about with
21 approval of this resolution all other applicants,
22 applications (INAUDIBLE) necessary for the project
23 to be constructed onsite have been approved with
24 development permits and variance. Has that been

1 taken out? We're not approving a variance.

2 **Alkire:** We'll strike that, that word. Yes.

3 **DeLuccio:** Okay, so with that, I'll...or did I already move
4 the consent calendar but thank you very much.

5 **Alkire:** Yeah.

6 **Altschul:** Let's vote. All in favor of approving the consent
7 calendar? All votes are in and it is unanimously
8 accepted. Next are the public hearings. 10.A.,
9 the staff report has been given. Are there any
10 other items in the staff report, Jennifer?

11 **ITEM 10.A. 7141 SANTA MONICA BOULEVARD (Yummy.com)**

12 **Alkire:** I will quickly go through it. Okay, so this item
13 is for the request for beer, wine and liquor for
14 off-site sales at a grocery store located at 7141
15 Santa Monica. This site is currently under
16 construction for a mixed use project known as
17 Domain. The same grocery store operated just east
18 of the site where the Dylan currently is between
19 the years 2002 and 2010 and there's also about six
20 other locations serving the Los Angeles area of the
21 same business. The grocery store is going to be
22 located on the ground floor with access from Santa
23 Monica Boulevard. The, the pro-, the...I'm sorry.
24 The grocery store will have an in-store market

1 component as well as a home delivery component.
2 Its, its program is mostly food sales but they do
3 want to include the off-site sales of beer, wine
4 and liquor along with that. There were concerns as
5 we previously talked about, about individual small
6 sales, so we...I proposed adding condition 10., I'm
7 sorry, 3.10 to the resolution to prohibit
8 individual sales of alcohol that are smaller than
9 750 milliliters. Staff does recommend approval of
10 the project and I'm here for any other questions
11 that you may have.

12 **DeLuccio:** I have one question.

13 **Jones:** I do too.

14 **Altschul:** Yeah?

15 **DeLuccio:** Maybe the applicant can answer the question. What
16 percent of the total sales will...what percentage
17 will be alcohol?

18 **Alkire:** I would have to let the applicant....

19 **DeLuccio:** (Talking over), I'm just curious.

20 **Alkire:** Yeah, I'm not sure.

21 **DeLuccio:** Okay, maybe the applicant can answer.

22 **Jones:** To be clear my question, I know Yummy.com has a
23 delivery only service, is this going to be a store
24 where people can both go in and purchase products

1 as well as have them delivered to their homes?

2 **Alkire:** Yes, it will be a market where people can go in and
3 buy them as well as have delivery, yes.

4 **Jones:** Is there...I mean, you know, I'm not...I don't want
5 to...the convenience of delivery is that you can
6 get whatever you want, is there a way that we can
7 condition it so that people could have smaller
8 bottles of alcohol delivered to their homes without
9 them actually being available for purchase by
10 people who come in and...to the store and purchase
11 them there?

12 **Alkire:** If the Commission wants to modify the condition
13 that way, I'm sure that we could do that.

14 **Jones:** I mean I don't know if anybody else is ordering,
15 you know, stuff from the mini bar size for
16 delivery, but you know, half bottles of wine are a
17 real thing, a 22 ounce thing of beer is a real...I
18 just am wondering for the sake of convenience if
19 people...is this something that we're open to?

20 **DeLuccio:** When we get to deliberation.

21 **Altschul:** Do we....

22 **DeLuccio:** Make a motion, we can talk (talking over).

23 **Huebner:** Is any other, is any other liquor store or delivery
24 service restricted like this?

1 **Alkire:** We have had that condition on projects before, yes,
2 I don't have a list of the addresses now.

3 **Huebner:** Pink.dot, for example?

4 **Alkire:** I don't believe so.

5 **Huebner:** I don't...I just...I guess, I don't know, it just
6 sounds like you're encouraging people to drink
7 more, but...no, if you had to buy a 750, you have
8 to get 750 milliliters, you're going to get 750
9 milliliters or you're going to drive business
10 somewhere else. It just doesn't seem fair.

11 **Altschul:** I think, I think the concern comes from the fact
12 that the homeless population is increasing
13 gigantically especially in certain parts of town
14 and I think the desire is not to have people
15 walking around especially on the east side of town
16 with, with a can of beer and small bottles of wine.

17 **DeLuccio:** Yeah, and didn't we....

18 **Huebner:** Drive them to someone else's store to get it.

19 **DeLuccio:** Didn't we have a condition in the past actually in
20 resolution. If you had a condition, help me, where
21 it wasn't so much 750 milligrams, or liters or
22 less. It was the way that the packaging was. It
23 didn't sell, if it came in a package of four, you
24 couldn't break up the package (talking over)?

1 **Alkire:** Right.

2 **DeLuccio:** (Talking over) consumption, the smaller cans and
3 bottles.

4 **Alkire:** I don't know if we put a condition like that on
5 before.

6 **DeLuccio:** We have actually (talking over).

7 **Alkire:** We have, okay.

8 **DeLuccio:** (Talking over) seen this done. I've seen it done
9 that way where we restricted....

10 **Alkire:** Okay. But if it's, if it's, if it's traditionally
11 sold or if it's...not traditionally, but
12 conventionally sold in a, in a pack.

13 **DeLuccio:** You couldn't break up the pack.

14 **Alkire:** You can't sell the individual out of the pack.

15 **DeLuccio:** Exactly. That's what I've seen conditioned here.
16 Yeah.

17 **Altschul:** And I, and I recall back in in years past when the
18 homeless population was back then also very, very
19 prevalent that these conditions were added.

20 **Huebner:** And I think Stacey's condition of delivery only
21 would be more acceptable.

22 **Lightfoot:** I, I also would like to ask the...because I believe
23 that the other two, the other two locations very
24 nearby that sell alcohol would be Target and Bev

1 Mo, is that correct? And they're virtually in the
2 same neighborhood.

3 **Alkire:** Uh-huh (AFFIRMATIVE).

4 **Lightfoot:** Are...do they have those restrictions?

5 **Alkire:** I don't know.

6 **DeLuccio:** Is 7-Eleven (talking over).

7 **Huebner:** And Smart and Final?

8 **Lightfoot:** Yeah, or Smart and...I doubt that Smart...Smart and
9 Final, you know, sells everything in bulk so I
10 wasn't even thinking about that, but they do sell
11 alcohol. 7-Eleven is a little more of a distance
12 away, but I'm just wondering if we're, you know,
13 just in that immediate neighborhood, if that's what
14 we're talking about...

15 **Altschul:** May I remind...

16 **Lightfoot:** ...the situation being different.

17 **Altschul:** ...remind you that the Commission, that the
18 applicant has agreed to the condition.

19 **Aghaei:** They're amenable so it, thanks for pointing that
20 out. I was just about to say.

21 **Lightfoot:** Yeah, okay.

22 **Aghaei:** They're okay with it, so....

23 **Lightfoot:** Simply thinking about the convenience of the
24 neighbors, not necessarily the, you know, what the,

1 what the business is thinking about (talking over).

2 **DeLuccio:** We can modify, we can modify the condition when
3 we...after we hear from the public or the
4 applicant.

5 **Altschul:** The applicant is in agreement. Anything further
6 Jennifer?

7 **Alkire:** I don't have anything.

8 **Altschul:** Any questions other than this to Jennifer? Are
9 there any speakers now?

10 **Gillig:** No public speakers, only the applicant.

11 **Altschul:** All right. We will close the public hearing....

12 **DeLuccio:** Applicant, are you going to call the applicant up?

13 **Altschul:** Yeah, the applicant does not wish to speak.

14 **DeLuccio:** I have a question for the applicant.

15 **Altschul:** Sandy? Front and center.

16 **Hutchens:** Hello Commissioners, I am Sandy Hutchens. I'm a
17 resident of Los Angeles. I want to thank Jennifer
18 and the Planning Department for helping us on this
19 application. As most of you know, I've lived here
20 for over 30 years and worked and played in West
21 Hollywood and tonight I'm representing an
22 international company out of Dallas, Texas,
23 Trammell Crow Residential that has selected Barnaby
24 Montgomery's company, Yummy.com, to be one of their

1 premier tenants on the first floor. Barnaby
2 has...was actually here 10 years ago and I'm going
3 to let him speak to you and he can answer a lot of
4 the questions that you were, that you were asking
5 but I think it will be a real credit that Trammel
6 Crow is here and that Yummy.com is coming back to
7 the city. And you got your Power Point.

8 **Montgomery:**

I do. Barnaby Montgomery, and I started Yummy.com
9 about 15 years ago in West Hollywood and I prepared
10 a little Power Point because I'm not a public
11 speaker and this might aid me in telling a little
12 bit about the business. So this is a...you know,
13 it's a small format grocery store limited
14 assortments, similar in, in concept to a Trader
15 Joe's with a little bit different price point,
16 different assortment and different facility. But I
17 started in 2002 and, you know, we all have
18 something inside, like some idea inside and, you
19 know, that's what it looked like, but this was the
20 idea. The idea was a modern store that was online
21 that had a curated inventory and that was local and
22 to me modern meant small format. I didn't like
23 going into a big suburban supermarket with 100
24 varieties of ketchup. It wasn't important to me so

1 what I wanted was a, a limited assortment and as a
2 business person I always wanted modern systems. I
3 wanted to have...I wanted it to run in a certain
4 type of way and so that's what modern meant to me.
5 In 2002, you know, I wanted to be online and that
6 meant two things: that we delivered and today it
7 means that, you know, in the next month or so
8 you'll be able to use your Smart Phone to order
9 products by checkout, by taking a picture of the
10 products you're buying and then like at Uber, you
11 say buy and then you leave, because we trust you
12 and we call that I Check Out and so this idea of it
13 being online has two components, the delivery
14 component and the fact you can use your smartphone
15 to checkout. We're here today asking for the
16 permission to sell beer, wine and liquor and it's
17 incidental to the grocery sale like at Ralph's or
18 Trader Joe's. It's, it's an important component of
19 a grocery business because the customer who buys
20 beer, wine and liquor won't buy your bananas and
21 avocados and eggs unless they can get everything
22 they need at your shop and that's, that's how the
23 beer, wine and liquor fits into the grocery
24 business. These are our top selling products. I

1 think Commissioner DeLuccio asked what percent of
2 sales are beer, wine and liquor and it's six to
3 eight percent. You know, a bottle of alcohol has a
4 high price point relative to a banana and so the
5 impact of a sale of a six pack of beer is on the
6 economics of the business are very important
7 because it's a bigger dollar reign than one banana
8 and that's how it fits within the business model of
9 a grocery store. That's why, you know, any
10 supermarket will come to you and ask permission.
11 So, you know, it's a local business and that's been
12 the whole point to be a neighborhood focused
13 business. You might have noticed on our logo it's
14 a neighborhood market. We have used the word
15 community market or fresh market in the past but
16 it's in its nature is local to serve the community
17 around the store. It's not a destination grocery
18 store. You're not going to pass Trader Joe's and
19 Ralph's and Von's and Sprouts to say I want to go
20 there. It's meant to serve the neighborhood and
21 one of the reasons we were interested in the mixed
22 use building was in Playa Vista we're on the bottom
23 of a mixed use building and you know, customers
24 don't need to drive anywhere. They, they just go

1 into the store. They treat it like their kitchen
2 and they go up and down and I think it serves the
3 concept of my vision for neighborhood and local
4 well to be part in that dense neighborhood mixed
5 use community or domain. So these are some
6 renderings of the store that we are contemplating
7 and you know, it brings together all of our ideas
8 for the modern online curated and local grocery
9 store. You know, it's not a...it's, it's a
10 relatively expensive tenant improvement we're
11 contemplating. You know, we've hired a quality
12 architect who's helped us with our last store near
13 Century City because it needs to reflect our idea
14 of what's modern and so the renderings I think will
15 convey that idea what we're trying to accomplish
16 and well, thank you.

17 **DeLuccio:** I have a question.

18 **Altschul:** Donald?

19 **DeLuccio:** Yeah, thank you for answering my question. I also
20 have another one. What percent of sales versus
21 online and in store approximately?

22 **Montgomery:** I think it's going to be about half.

23 **DeLuccio:** And you came before us some years ago?

24 **Montgomery:** I never came before you. If we...you know, I could

1 show you the store. I'm a little shy of....

2 **DeLuccio:** No, 'cause you had a...you would've had a condition
3 of use permit for the last time you had your store
4 on Santa Monica Boulevard?

5 **Montgomery:** Yeah, 7119 Santa Monica Boulevard. You know, I had
6 this idea and you know, when you start, you don't
7 have any money, so you...I bought a failed store
8 and, you know, I'll turn it 'cause I can hardly
9 look at it.

10 **DeLuccio:** I guess it's irrelevant whether we had a condition
11 in the last permit or not about prohibiting sale
12 of, you know, bottles onsite that are less than 750
13 milli-, millimeters? Millimeters, so I guess it's
14 irrelevant if we had it before. The point was will
15 delivery decide, you know, what we think is best,
16 but you're willing...you I understand from the
17 applicant, from the staff that you're willing to
18 add that condition to the permit.

19 **Montgomery:** It's consistent with our vision for the store
20 because it, it's not a liquor store. You go to a
21 liquor store...I don't shop at liquor stores, but
22 you go to a liquor store to buy a bottle of beer or
23 a little airline bottle of alcohol. That's...we
24 don't sell those in any of our locations. Just

1 like when you go to Trader Joe's, it's not for sale
2 because it's, it's not what you're trying to be.
3 I'm happy to condition it because it's, you know,
4 it's not relevant. It's not consistent with our
5 vision for the (talking over).

6 **DeLuccio:** And if we wanted to modify it just for it being
7 onsite you're perfectly fine with that obviously
8 also. (Talking over) put this condition just to
9 apply for the smaller bottles onsite versus for
10 delivery, not to limit the size.

11 **Montgomery:** In either case, we're not asking for onsite, we're
12 asking for offsite sales, that's important, trick
13 word, you know, keyword. I'm a little confused by
14 what you said but in terms of....

15 **DeLuccio:** Online versus off-, I mean peop-, delivery versus
16 sale inside the store is what I'm....

17 **Montgomery:** We sell the same product line in the store as we
18 do....

19 **DeLuccio:** (Talking over) if we condition to prohibit the
20 smaller size bottles for purchase, we may...could
21 possibly want to modify it just to be when
22 someone's buying it in the store to be prohibited
23 from buying small bottles, but not when we do it,
24 when you make a delivery, we...that condition may

1 not apply.

2 **Montgomery:** You could do that. We don't, we don't carry it,
3 we're not going to.

4 **Huebner:** What's that mean, you, you...talking about your
5 business model, you don't sell smaller quan-
6 smaller volumes in your other stores?

7 **Montgomery:** No, it....

8 **Huebner:** Like Trader, it's like Trader Joe's, it's a bottle
9 or nothing.

10 **Montgomery:** Yeah, it's a bottle or nothing.

11 **Altschul:** David?

12 **Huebner:** Then it's fine.

13 **Aghaei:** So this makes no difference to you.

14 **Montgomery:** Sorry?

15 **Aghaei:** So this makes no difference to you, the small
16 bottles or...?

17 **Huebner:** It's not part of his inventory anyway.

18 **Aghaei:** Got it. Thank you.

19 **Buckner:** That's not one of the items that you ever
20 anticipate selling in your store.

21 **Huebner:** Right.

22 **Buckner:** It doesn't fit with your, your concept.

23 **Montgomery:** What we do sell is, somebody mentioned, I'm not
24 sure who it was, like....

1 **Huebner:** Yeah, it's moot.

2 **Montgomery:** Well like, you know, you have like a, a \$12.00
3 bottle of Belgian beer that comes in a liter. We,
4 we sell that, like three or four different SKUS of
5 that variety of beer, but we
6 don't...that's...nobody can drink that really, but
7 (INAUDIBLE) so we do sell like a one liter but I
8 wouldn't define that as a single serving, one liter
9 Belgian beer.

10 **DeLuccio:** Do you have some 500 millimeter bottles probably
11 smaller, you know, the small 500 millimeters? You
12 can buy like....

13 **Buckner:** Like a large bottle of Pepsi or something like
14 that, the large bottles, rather than the small....

15 **Altschul:** I don't, I don't believe we need to revise his
16 business plan.

17 **DeLuccio:** Yeah.

18 **Altschul:** Thank you.

19 **Montgomery:** Thank you.

20 **Altschul:** Are there any further (talking over).

21 **Gillig:** Chair? Chair? We do have one public speaker that
22 came forward. Steve Martin?

23 **Martin:** Steve Martin, West Hollywood. I apologize for
24 being late. You guys run such an efficient meeting

1 but I didn't get here in time. Steve Martin,
2 resident on Poinsettia Drive and a member of the
3 Eastside Advisory Board and I was kind of surprised
4 I don't see more of my fellow members here because
5 people were very concerned about alcohol sales at
6 this site. You know, we know we have major
7 problems getting really good viable businesses into
8 these mega developments that we've built at La Brea
9 and Santa Monica and Yummy sounds to me what would
10 be a place that I would go to, a place that I would
11 patronize and it sounds like it would be an
12 improvement in the neighborhood. I mean they use
13 local products, they use Sandy Hutchens, he's
14 local, and I think that overall it would be a good
15 thing and we really want to have something vibrant
16 in this place, but there is a lot of concern what
17 has gone on in that, that northwest corner of Santa
18 Monica and La Brea. It's just not the kind of
19 pedestrian orientation you want to have. There's a
20 huge problem with homeless, drug dealing,
21 prostitution perhaps on Detroit and a lot of people
22 are very concerned that those problems keep falling
23 through the crack. I don't want to penalize Yummy
24 but I do think they should have a business plan

1 that, that reflects what's going on in the
2 neighborhood or at least that we work with them as
3 a community and as a city to make sure that these
4 problems don't get exacerbated because they are
5 problems. They're real problems and it's, it's
6 increasing crime in our neighborhoods and like I
7 said, I don't want to speak against the applicant,
8 I think this is in many ways a really good thing
9 for the neighborhood, but I do think that we should
10 be prudent moving forward, small bottles, malt
11 liquor, things like that should not be for sale.
12 Thank you so much.

13 **Buckner:** Thank you.

14 **Altschul:** No more speakers?

15 **Gillig:** No more public speakers.

16 **Altschul:** All right, with that we will close the public
17 testimony portion of the public hearing. Is there
18 any more discussion?

19 **Aghaei:** Ready to move the staff recommendation.

20 **Altschul:** Is there a second? I'll second it. Oh, Roy
21 seconded it.

22 **Alkire:** Can I, can I clarify what version of the added
23 condition you wanted to use?

24 **Aghaei:** The version that you proposed.

1 **Altschul:** All right.

2 **Aghaei:** We're missing Donald.

3 **Altschul:** Any further...where is he?

4 **Aghaei:** He went to the restroom.

5 **Huebner:** He went to get a small bottle of liquor.

6 **Altschul:** No, he went to relieve himself of the small bottle
7 that he had before.

8 **Jones:** Can I just ask, if, if the applicant doesn't intend
9 or, you know, nor is it a part of his business plan
10 to sell smaller bottles of liquor, do we need to
11 condition that?

12 **Alkire:** If the concern is there, the condition should go in
13 because it runs with the land, so if the store
14 leaves, another store could go in with offsite
15 sales. So if you want to restrict it, then I would
16 suggest doing so.

17 **Jones:** Okay.

18 **Aghaei:** Okay.

19 **Altschul:** All right, if there's no other discussion, let's
20 vote.

21 **Buckner:** I wanted to say something but....

22 **Altschul:** The votes are in. It's unanimous, seven yes, no
23 against, motion passes unanimously.

24 **Buckner:** I just want to...since I had suggested that we have

1 the speaker, I was glad to have a speaker speak and
2 say that he's in favor of small. That made a
3 difference in terms of my vote. I would've liked
4 to been able to say that before we took the vote.
5 Thank you.

6 **Altschul:** Thank you.

7 **Lightfoot:** I'd just like to say for the record if it weren't
8 for Yummy's, I'd starve to death half the time.

9 **Altschul:** And it looks like you're not. Thank you. Thank
10 you and we will move on to the next item, which is
11 the, the Multi-Family Historic Resource Incentive
12 program.

13 **ITEM 11.B. MULTI-FAMILY HISTORIC RESOURCES INCENTIVE PROGRAM**

14 **Reich:** Good evening, Commissioners, members of the public.
15 I'm Stephanie Reich, the City's Urban Designer and
16 Project Manager for the effort to develop
17 incentives for multi-family properties, historic
18 properties. The City already has a number of
19 incentives available for designated properties
20 including Mills Act contracts, planning fee waivers
21 and other rehab incentives that have been used
22 successfully over the years. For example, a recent
23 Mills Act contract resulted in more than \$550,000
24 in property tax savings over the 10 year life of

1 the contract. Upon direction from City Council,
2 City staff in conjunction with Page & Turnbull,
3 Historic Preservation Specialists, and with Don
4 Rypkema of Place Economics, an Economics Specialist
5 in Historic Resources, engaged in an effort to
6 develop incentives to encourage owners to invest in
7 their properties while maintaining the properties
8 under rent stabilization. I want to thank
9 Commissioners Buckner and Jones for participating
10 in the Technical Advisory Group. You provided us
11 valuable feedback throughout the process. In
12 addition to the Technical Advisory Group, we
13 engaged property owners, technical experts, and
14 residents in focus groups and other stakeholder
15 meetings. They also provided valuable input. John
16 Lesak and Flora Chu of Page & Turnbull and Don
17 Rypkema of Place Economics are here to present the
18 results of the study and then I will conclude the
19 presentation.

20 **Lesak:** Thank you, Stephanie. Are you going to advance the
21 slides? Alright. So as Stephanie said, we're very
22 pleased to be here to present the results of our
23 study to date. Joining me is Don Rypkema. Don's
24 an economist with Place Economics and he kind of

1 travels the world specializing in the impacts,
2 economic impacts of real estate and historic
3 districts and settings, and also with me is Flora
4 Chu from our office. Flora's our Preservation
5 Planner and I'm what we call a Historic Architect,
6 licensed architect who specializes in historic
7 buildings.

8 **Altschul:** Will you state your name please?

9 **Lesak:** John Lesak. So today we're going to review the
10 project objectives as well as the methodology that
11 went into our study, review the included buildings
12 in the study, have an overview of our key findings,
13 look at the potential incentives put forward, also
14 look at incentives considered but not pursued. We
15 looked at a large number of incentives in our
16 efforts and then we'd like to get feedback from the
17 Planning Commission. Next slide please. So
18 financial incentives targeted the historic
19 buildings are fairly rare, there are not a ton of
20 them. They do exist, but there's not a ton of
21 them. Historic preservation incentives that are
22 targeted, the rent stabilized buildings in
23 particular, are almost unheard of. So this is a
24 very unique effort. It's a forward thinking effort

1 and again we are very pleased to take part in it.
2 At the beginning of the project we met with staff
3 and some key stakeholders and developed a set of
4 project objectives and principles that we used
5 throughout our work. The first is that we wanted
6 to develop incentives in addition to the City's
7 existing incentives that first address the dual
8 priorities of historic preservation and rent
9 stabilization, so we didn't want to put the
10 priority of historic preservation over rent
11 stabilization or rent stabilization over historic
12 preservation, equal in both. Next we wanted
13 to...we want to encourage private capital
14 investment in the upkeep and the upgrade of these
15 particular properties. We also want to close the
16 gap between kind of the initial costs. A lot of
17 these, a lot of the work that is needed in these
18 buildings is expensive, so we wanted to make sure
19 that we kind of close the cost of spending the
20 money upfront and making sure we recapture it over
21 the lifetime of the building. We want to provide a
22 range of incentives as we'll share later. There's
23 a whole wide variety of properties and not one size
24 fits all for these properties. The City asked us

1 to determine if historic properties are more
2 burdensome or costly to maintain and repair than
3 just older properties and we'll get into that. We
4 wanted to identify any conflicts that exist between
5 the historic preservation ordinance and the rent
6 stabilization ordinance and offer solutions and
7 finally we wanted to treat the historic buildings
8 as our clients. So you know, being a designated
9 historic resource in the City means we want to see
10 it last for multiple generations. The owners are
11 going to come and go, tenants are going to come and
12 go. We wanted to make sure we focus our efforts on
13 the buildings themselves. Next slide please. So
14 our methodology, we started off with information
15 gathering so we collected all the information about
16 the, the properties that we could find and that
17 includes parcel information, zoning information,
18 building information, information about the units,
19 the dates when were the...when was the building
20 sold and last sold, when was it, was it originally
21 built, were there changes to the building over
22 time. We looked at...we wanted to gather
23 construction information, what were the various
24 systems that were in place for the buildings

1 including the building exteriors. Then there was
2 something about the history of the buildings,
3 architectural style and architects and then, you
4 know , the designation. Is it...are there...is
5 the...are the properties designated beyond just
6 kind of the local designation. We also reviewed
7 the City's existing incentive programs. As
8 Stephanie said, West Hollywood has incentive
9 programs in place. They're comparable to most and
10 what I would call historic preservation cities in
11 Los Angeles County. You have a Mills Act which is
12 a property tax abatement program, you have some fee
13 waivers in place, there's ability to change the
14 use, which isn't so great for rent stabilization
15 but it's good for historic preservation and then
16 there is a transfer of development rights program
17 on the books and we'll talk about that a little bit
18 more later. We did an existing conditions
19 assessment so we visited all the buildings in our
20 study and did an exterior look at them. We
21 identified about a third of them and we went back
22 and kind of did conditions assessments of the
23 buildings and the systems, and from there we
24 refined it even more and took an even more detailed

1 look as a team of engineers and cost estimators at
2 other, another set, subset of buildings and from
3 that we kind of built cost models so we could
4 compare kind of historic buildings to older
5 buildings. We did a whole lot of community
6 outreach and I'll go into more detail about that
7 in, in a little bit, but we felt like we had very
8 good feedback from the community and experts and
9 then we identified and evaluated a broad range and
10 variety of incentives that looked at addressing
11 building needs, meeting project goals, stakeholder
12 interests. There were some pretty creative
13 incentives before that kind of the stakeholders
14 really weren't that interested in. We weighed cost
15 versus benefit to the building and we also looked
16 at kind of legal requirements and framework of the
17 City. Next slide please. So there are 39
18 buildings in the study with about 600 units. Six
19 hundred apartment units seems like a lot to us at
20 times, but it only represents about three percent
21 of the City's total rental housing units and less
22 than five percent of the rent stabilized units, so
23 while it's 600 units and that could seem like a
24 lot, it's kind of a small sliver of the rent

1 stabilized properties. The buildings range
2 greatly, so the smallest is kind of a three unit
3 one-story. The largest unit count was 60 units and
4 the tallest building was seven stories. Most of
5 the buildings kind of are in the middle, 80 percent
6 of them had less than 20 units, so that's kind of
7 typical for the time. So our key findings, first
8 of all the buildings are, are generally well
9 maintained. They're not neglected, they're not
10 blighted, they're taken care of kind of on a day to
11 day basis, week to week basis. However, the large
12 scale building systems, so the mechanical systems,
13 the electrical systems, the plumbing systems, what
14 we call the life safety systems, fire sprinklers
15 and alarms and the structural systems are
16 approaching the end of their service life and they
17 are in need of renewal and/or replacement. And
18 these are the systems that if they fail could lead
19 to catastrophic loss, so if an old electrical
20 system fails, it causes sparks, it causes a fire
21 and you can lose the building. Likewise with kind
22 of structural systems, in an earthquake, you can
23 lose the historic resource and also these are the
24 systems that lead...because they're at the end of

1 their lives, they need more frequent kind of
2 service and maintenance, so it seems like the
3 buildings require more maintenance than others
4 might because the systems are really old and you
5 need to put more and more band-aids on them all the
6 time. The next key finding is that the repair and
7 rehabilitation which are kind of what I call
8 generational repairs, every 20 years, every 40
9 years, every 60 years, for historic properties do
10 cost more and we found that they cost approximately
11 20 to 40 percent and that's really to do with kind
12 of the right repair according to historic
13 preservation guidelines and standards. That's part
14 of it, but also there's some complexities in doing
15 the work that do affect the cost. And lastly, we
16 found that rent stabilization is less than a
17 problem that we perceived, so there's a pie chart
18 here, about two-thirds of the tenants in the
19 properties have been there 10 years or less, so
20 they're not paying the kind of severely depressed
21 rent, people who have been there 20, 30 years, long
22 periods of time. We also got information from
23 previous studies from the Housing Department that
24 show that rents in historic buildings are higher

1 than in typical older buildings for comparable
2 units and that can range anywhere from 25 to 50
3 percent. Next slide please. So another key
4 finding is the properties...there's lots and lots
5 of variables that go into each property. We start
6 with kind of the physical characteristics of it,
7 the beginning of our study after we went and looked
8 at all the buildings. We needed ways to kind of
9 classify them, so we broke them up into these kind
10 of six different categories and kind of the largest
11 buildings we call the tall buildings, but they have
12 like a whole different set of needs, so they have
13 elevators, they have fire sprinklers because of
14 regulations in the 1970's that required them to put
15 fire sprinklers in, they don't have kind of attic
16 space or kind of crawl spaces to run new mechanical
17 systems, ductwork and electricity, so they have
18 kind of a completely different set of needs and the
19 very small buildings, they're kind of house like,
20 which exists too. So there's a wide variety of
21 physical characteristics and there's a wide variety
22 of kind of physical conditions and needs for these
23 properties. I like to call out like the post war
24 buildings, there's two historic post war

1 properties. They're very nice buildings, but
2 they're built with kind of wood siding as opposed
3 to the bricks and stucco. They have aluminum
4 windows in them so they have kind of different
5 paint needs, different system needs than the other
6 buildings, so they vary wildly throughout. And
7 we've got kind of a wide range, you know, a
8 lot...most of the buildings were built in the
9 1920's, but some were built in later as I, as I
10 mentioned previously. Next slide please. So in
11 addition to kind of the physical variables and the
12 condition variables, there's a variety of ownership
13 profiles as well. The kind of...buildings break up
14 into thirds as far as length of ownership, about a
15 third of them are over 20 years, about a third of
16 them are between 10 and 20 years and about a third
17 of them are under 10 years and that matters for
18 property tax. One of the key things is it matters
19 for property tax reasons, so the, the
20 people...because of Proposition 13, the people have
21 owned the properties for a long period of time, pay
22 far less property taxes than kind of new or more
23 recent owners. However, the recent owners can take
24 advantage of the Mills Act program which is a

1 property tax abatement and get kind of substantial
2 savings where the older owners can't do that and
3 can't kind of gather those funds, so there's kind
4 of an imbalance in how you apply the Mills Act. We
5 also found that kind of...there's a wide grouping
6 of owners, some of them are kind of professional
7 property owners. They own lots of properties, some
8 of them are just kind of families or individuals
9 who own them and depending on kind of the type of,
10 type of organization owning them and the duration
11 of ownership, there's kind of a different attitude
12 about particularly rent stabilization. So the kind
13 of smaller outfits that have owned the, owned the
14 properties for a long period of time really see
15 rent stabilization as a burden. It's a burden.
16 They can't kind of maximize their economic
17 opportunities on the properties whereas the folks
18 that bought them recently, they knew what they were
19 getting into. They knew rent stabilization was
20 there. They figured...they ran their numbers, they
21 figured they could still make money so to them rent
22 stabilization's a constraint but it's not as
23 burdensome as, as otherwise seen and then we also
24 saw, you know, kind of tenancy varies too. So we

1 talked about, you know, the, you know, two thirds
2 of the folks being 10 years or less, however some
3 buildings have almost all new tenants in them and
4 some buildings have almost all old tenants in them,
5 so kind of that mix of tenants varies really from
6 building to building to building. Next slide
7 please. So as part of our work we did significant
8 community engagement, so we had a Technical
9 Advisory Group with members from the Historic
10 Preservation Commission, the Rent Stabilization
11 Commission and the Planning Commission and, and as
12 Stephanie said, we wanted to thank Commissioners
13 Buckner and Jones for participating in some of our
14 meetings and also past Commissioner Mark Yeber also
15 participated in our group. We've done kind of
16 outreach and specific focus groups, so we invited a
17 lot of folks, so we had tenants come, we had owners
18 come, we had real estate professionals come, we had
19 historic preservation organizations come and give
20 us feedback on these properties. We had a joint
21 stakeholders meeting and then we did some
22 regrouping after we presented a wide variety of
23 incentives, found more targeted things and then
24 came back to those stakeholder groups again. So

1 I'm going to turn it over to Don. He's going to
2 talk a little bit more about our potential
3 incentive programs and how we got to where we are.

4 **Rypkema :**

Next one, Stephanie. Thanks. I'm Donovan Rypkema
5 of Place Economics. I'm based in Washington, DC.

6 Thank you all for letting me be here tonight. I'm
7 here really mostly to answer any kind of technical
8 questions you have on the analysis, but I did want

9 to just give you a sense of how we came up with a
10 long list and how that got whittled down to the, to

11 the final recommendations. And here's how the
12 initial list was developed. We did among...we did

13 a lot of research about what countries or what
14 cities large and small around the country are doing

15 with incentives and as John said, I mean why, why
16 West Hollywood is really on the cutting edge. This

17 is...there aren't many and there are virtually none
18 that combined this concern of can rent

19 stabilization with a strong commitment to historic
20 preservation simultaneously, so those that wanted

21 well just give us six cities that have those and
22 we'll see which ones we want. Well there aren't

23 six cities. Among this process we did a survey,
24 national survey of Historic Preservation

1 Commissions, say what are the range of incentives
2 that you use? So the kind of base we search of
3 what people are doing was kind of step one. Step
4 two is in these variety of stakeholder meetings and
5 others, people gave us interesting ideas to test
6 and then third very candidly, after we had listened
7 to the issues or particular challenges from both
8 property owners and from tenants and from others,
9 we, we literally just kind of brainstormed what in
10 fact would be a response to what was identified as
11 a problem. So that kind of created the long list
12 and then our, our process was to evaluate each of
13 those alternatives on how effective would it be. I
14 mean the issue is getting private investment in
15 those private buildings so that there around for
16 two or three more generations. How complex would
17 that particular incentive be to, to implement and
18 complimented, and then how much would it cost? I
19 mean what are we to, you know, taxpayers of West
20 Hollywood have to come up with to cover that. So
21 those were criteria and then we created kind of
22 geeky tax flow projections for 20 years on
23 every...on different building typologies, testing
24 every one of these incentives and how it was done

1 is we said all right, if in a kind of hypothesized,
2 perform based on local rents, local conditions,
3 rents here, vacancy levels, all that. So what if
4 there were no rent stabilization. That was kind of
5 the base then how is the property affected that
6 there is rent stabilization so that gives us the
7 picture, this is that situation now and then every
8 one of those incentives was tested for its impact
9 over a 20 year life of that, on that property and
10 based on that, it was kind of a geeky numbers
11 thing, but based on that, each of the incentives
12 was identified as being either highly...had very
13 high impact, had high impact, had modest impact or
14 had negligible impact. Well there's no sense kind
15 of, you know, making a bunch of recommendations on
16 incentives that had negligible impact so that was
17 kind of the first, first cut and then these, you
18 know, what was left went back to stakeholders and
19 many of them said we're not interested in that,
20 that won't work or here's the...a legal reason why
21 that can't be and then finally to get to balancing
22 the cost and benefits from the perspective of the
23 City, which of these in fact tries to do what meant
24 to do and the principles that we're...that John

1 mentioned starting out and relative to the cost
2 that that would be for the City of West Hollywood.
3 So that was the process of kind of evaluating.
4 Flora's going to talk about what made the list and
5 what didn't and if there's any question about that,
6 I'll come back to it.

7 **Chu:**

Hi, I'm Flora Chu, I'm with Page & Turnbull. So
8 we're going to answer some of the...for incentives
9 that we are asking for your feedback on today and
10 we'll go through each one just to give you a little
11 bit of information about what we see, how they can
12 help, some of the things that we found as issues.
13 Next slide please. So on technical systems, one of
14 the things we did hear from owners was that the
15 need to help them with some of the complex problems
16 that come up especially as they are dealing with
17 the major repairs and rehabilitation, and so we
18 felt that the City could provide some of this
19 assistance with the West Op Shop as a resource,
20 someone who can understand both the historic
21 preservation side and the rent stabilization side
22 of issues and help navigate between the City
23 Departments as well as the agencies outside of the
24 City. We're hearing some issues with Southern

1 California Edison or with the County Fire
2 Department as they were coming across doing the
3 major rehabilitation and repair or problems. The
4 technical assistance can also connect the owners to
5 skilled craftsmen and contractors who are familiar
6 with historic preservation issues and also assist
7 them with accessing available program incentives
8 such as the Mills Act and also the 20 percent
9 Federal Historic Rehabilitation tax credit, which
10 is one of the incentives that is actually very
11 effective and available to a lot of owners. Next
12 slide please. And actually about nine of the
13 properties that we looked at currently are already
14 listed in the National Register which is one of the
15 prerequisites for using the Federal Historic tax
16 credits. We believe actually most of the
17 properties would likely be eligible for the
18 National Register and probably technical assistance
19 could help them get designated and placed on that
20 list. Also, the properties currently...about 18 of
21 them already have Mills Act and we believe that
22 about 10 others could benefit from the Mills Act
23 and could see some tax savings, so technical
24 assistance can help them access that program. Next

1 slide. We're also proposing fee waivers.
2 Currently the historic buildings can benefit from
3 planning fee waivers, but we will extend that to
4 also Building and Safety permit fees, so that if
5 they are undertaking some of these larger scale
6 work, they would have one less fee to have to pay
7 and that money can then be reinvested back in the
8 building. Similarly with the 50 percent of rent
9 registration fee reduction, if they're showing that
10 they are putting the funds back into the building,
11 that can be waived and that's acknowledgment of the
12 good faith effort that a lot of these building
13 owners are doing and are continuing to do with
14 maintaining their buildings. We also looked and
15 found that the, the current rent stabilization
16 ordinance has a painting standard that is at odds
17 with best practices for historic buildings. It
18 requires painting very specifically for every seven
19 years on the exterior and every four years on the
20 interior and typically you only want to paint when
21 you do need to paint and not overload a building
22 with too much paint that can conceal and hide some
23 of the historic features and ultimately lead to
24 some problems. So we would propose that instead of

1 that very specific time schedule that the historic
2 buildings could provide an alternate plan where
3 they provide different schedules for painting for
4 maintenance for the building that could be approved
5 by staff and the owners will be held to that. Next
6 slide please. And so one of the larger programs we
7 were looking at to provide some capital infusion to
8 address the, the major repairs and rehabilitation
9 issues that we were seeing is selling air rights or
10 transfer of development rights program and the City
11 of West Hollywood actually currently has a TDR
12 program that's been on the books since 1994 but has
13 never been used and so we would look at modifying
14 that to make it easier to use so that it would be a
15 real program that a lot of these properties could
16 take advantage of and what that means is, for
17 properties that have units, fewer units than would
18 be allowed by Zoning, they have unused square
19 footage that they can sell or transfer to somewhere
20 else and the City's role would be to pre-certify
21 those properties so that the owners know how much
22 available square footage that they have, they have
23 to sell and developers can know who has that square
24 footage and the owners and the developers can

1 negotiate directly on the costs. The City would
2 have a role in reviewing the transfer as they're
3 transferred to a different property. But the
4 owners would need to use most of the sales proceeds
5 for repair and rehabilitation of the historic
6 buildings so we would require some sort of plan
7 that's similar to the Mills Act that requires a
8 schedule and fees and cost so we know how the funds
9 are being spent. Next slide please. There
10 currently are the properties, about 17 of them,
11 have fewer units than are allowed by Zoning and
12 that accounts for about 89,000 square foot of
13 unused square footage. Most of those are
14 properties that only have one or three...one to
15 three units of comparable square footage to sell
16 but there are some that do have quite a number of
17 unused space to sell. There...interestingly
18 enough, there's about the same number, 18
19 properties that have more units than are allowed by
20 Zoning. So they actually have more than compared
21 to the other buildings. Next slide. So we also
22 wanted to quickly go through some of the incentives
23 that were considered but we're not pursuing and one
24 that we looked at for a bit was what we're calling

1 a historic apartment preservation program which
2 would...the City would purchase a preservation
3 easement from these properties and we were thinking
4 of that as a competitive program where the City
5 would select the best rehabilitation plan, that the
6 owners would propose what they would be doing to
7 the building and the City could select that and the
8 program would reimburse owners for a portion of the
9 work that they were...would do and in that type of
10 program we would want to see a financial match from
11 the owners, at least 50 percent, but it could be
12 more and that goes back to the competitive program.
13 The City could select programs where the owners are
14 providing more funding, but as part of it they
15 would be required to have a preservation easement
16 on the property. When we looked at the pros and
17 cons, this type of program could provide some
18 moderate to significant financial impact for a
19 number of the buildings. It would be available to
20 all owners and properties and they could be
21 targeted for the critical systems that John talked
22 about, if that was being proposed in the
23 rehabilitation plans. And generally it was
24 relatively straightforward to implement, but on the

1 con side, it would require substantial capital
2 investment from the City and it offers the City
3 minimal additional review authority on the historic
4 buildings and we had considered having a covenant
5 to...for the buildings to remain in rent
6 stabilization but our understanding is that that
7 would not be binding and the City is considering
8 some other programs. As you heard, there's the
9 seismic study that's underway, there's also multi-
10 family rehabilitation study that's underway, so it
11 was looking at balancing all the needs of, of many
12 of the programs within the City so that at this
13 point this is not...they move forward. Next slide.
14 So this is starting to look at from the list of the
15 broad range of the incentives that we looked at. I
16 just wanted to highlight a few of these. We looked
17 at a 12 month temporary accommodations incentive.
18 One of the things that we were hearing about why
19 the major rehabilitation was not happening is that
20 the...they're difficult to do when their tenants
21 are occupying the buildings and these buildings
22 have been continuously occupied since they were
23 first built 50 to 60, 80 years ago and so one of
24 the things we thought the City could provide would

1 be temporary accommodations or easier ways to
2 relocate tenants temporarily so that that
3 construction work could occur. There are different
4 fees we'll try to provide a comfortable
5 accommodations and making sure to adhere by...but
6 there is housing laws so at this point the
7 complexities of it was difficult to (INAUDIBLE) and
8 we would not move it forward at this point. We
9 also considered grants and that's something that
10 had been mentioned previously and our understanding
11 in discussions with City Attorney is that
12 straightforward grants would be difficult to do and
13 to overcome some of the prohibited...the state
14 prohibit...prohibitions against gifts of public
15 funds. We also considered cost sharing, a capital
16 cost program where some of the capital cost would
17 be shared with tenants. Though our understanding
18 is that Housing Department is also looking at that
19 for all of the rent stabilization properties so
20 rather than duplicate their work, we are looking
21 forward to seeing their results on that. Next
22 slide. And we also heard a lot of great ideas from
23 our stakeholders, a lot of which we think that are
24 worthy to look at further. We did hear quite a bit

1 about the conversions to condominiums or the uses.
2 Unfortunately, that's to us because it would take
3 these buildings out of rent stabilization was not
4 something that met our program goals. We also were
5 hearing from...another one that we heard from was
6 about licensing fees or having awards and historic
7 tour programs by a foundation. Again, we thought
8 those are really great ideas. The licensing fee
9 probably would not generate the amount of funds
10 that we're talking about that would be helpful and
11 typically when we were looking at foundations, it's
12 not generating something that we saw the Cities
13 taking initiative on the typically private
14 individuals who are doing that type of work. Next
15 slide. So I will turn it over back to Stephanie
16 now to just wrap up.

17 **Reich:**

18 Thank you very much. The team presented to the
19 Historic Preservation Commission last Monday on May
20 23rd and to the Rent Stabilization Commission on
21 May 26th. The Rent Stabilization Commission was
22 very supportive of staff's recommendation and
23 provided very useful comments. The HPC adopted a
24 recommendation to City Council that goes further
than the staff recommendation. The description of

1 that is in your staff report, but in short, the HPC
2 recommended the Council adopt the Historic
3 Apartment Preservation program and also go further
4 on the other items that we are recommending. The
5 Historic Apartment Preservation program as Flora
6 mentioned represents a substantial investment in
7 this select group of properties without a
8 significant return to the City. Additionally,
9 there is the seismic safety study of all the
10 buildings in the City ongoing as well as the rehab
11 study of all properties subject to rent
12 stabilization. On balance, staff is not
13 recommending this incentive but is recommending the
14 variety of incentives that were described including
15 technical assistance and the transfer of
16 development rights program. These incentives will
17 combine with our existing incentives to provide a
18 full range for this group of buildings. So we are
19 requesting that you consider the presentation, the
20 recommended incentives and other information and
21 make a recommendation as we move forward to City
22 Council. We're hoping to move to City Council on
23 their August 15th agenda. We are all here for
24 questions. One of our team members will need to

1 leave soon to catch a flight, but is here for
2 questions and Chris Uzler of City Staff is also
3 here to answer any questions regarding rent
4 stabilization. Thank you very much.

5 **Altschul:** Questions? Sheila?

6 **Lightfoot:** Yes, I'll, I'll get a question out before you have
7 to leave. And I'm just hoping that you can
8 explain, this is, this is in your report on page 35
9 and it is an insurance industry model for temporary
10 relocation and it states that the city may want to
11 investigate that. I know that's, that's probably
12 going to be one of the toughest issues for us to
13 grapple with but could you explain what that means,
14 the insurance industry model?

15 **Chu:** That was something that was mentioned in our joint
16 stakeholder meeting that was brought up. I think
17 someone was look-, when we talked about the
18 temporary relocation, temporary accommodations.
19 Someone mentioned the idea for insurance, having
20 insurance companies deal with relocation and
21 looking at that as a potential model. We felt that
22 given where we were, it was probably outside the
23 scope of what we were looking at so we didn't
24 investigate too much further, but that would be

1 something to consider.

2 **Lightfoot:** Okay, so it's just kind of well they're
3 probably...there is an insurance model but we don't
4 really know what it is so we might want to take a
5 look at it. Yeah, basically.

6 **Rypkema:** Yeah, it is. The...this whole issue on the
7 relocation is, it's, it's, it's shocking to me,
8 look at stuff all over the country that there's
9 been at least fabulous properties and zero of them
10 have used the Federal tax credit for rehabilitation
11 and there's no incentive of any kind that is more
12 powerful. We're kind of changing the, the game,
13 then the Federal tax credit and both from the kind
14 of discussions and observation, this...you really
15 can't do it incrementally, so this inability to be
16 able to, you know, vacate the place, do the work
17 and put tenants back in really was a thing, so
18 that's, so that's why this, you know, in the early
19 stages this tenant relocation and then the
20 insurance model was just a way, well if that was
21 going to pursue, be pursued here as maybe a
22 technical direction you could look for that.

23 **Lightfoot:** Oh, okay. Thank you for that.

24 **Altschul:** I think...well oh, I'm sorry.

1 **Lightfoot:** Oh, okay.

2 **Altschul:** Let me, let me just get one quick...

3 **Lightfoot:** Sure, go ahead.

4 **Altschul:** ...question in before...when, when the staff says
5 that the City doesn't seem to get any benefit from
6 some of this, when the City claims as its biggest
7 bragging rights, the affordable housing and the
8 rent control that we've had since the beginning and
9 then conversely it says, well if you give anything
10 as a benefit to a landlord, you can't really
11 justify it. These are two opposite sides of a
12 coin, so if you have to give the landlord something
13 in terms of benefit to maintain its property so it
14 doesn't disappear, how can you support the bragging
15 right? So it's a kind of dichotomy that when it
16 becomes absolutely essential to maintain the
17 property so that its infrastructure doesn't
18 collapse and yet you politically can't justify
19 giving something to a landlord in terms of dollars
20 and cents from a huge City reserve to help maintain
21 the affordable housing and justify the rent
22 stabilization, you have I think something that
23 needs to be justified and reconciled and perhaps
24 the consultants can help give a little bit of input

1 to the body politic here to get that straightened
2 out.

3 **Reich:** Was that a question for, for us as to why on
4 balance we are not...we are recommending some
5 incentives but not others?

6 **Altschul:** No, that's a question to you as to why you're not
7 recommending more incentives that seem to solve
8 much more of a serious problem.

9 **Reich:** So we think that the transfer of development rights
10 is a significant incentive for 40 percent of the
11 property. As, as I mentioned the HPC recommended
12 that the Council consider the Historic Apartment
13 Preservation program which would represent a more
14 substantial investment in the properties. Staff is
15 not recommending that at that time for the reasons
16 that I mentioned. I could go deeper into that. Of
17 course, we've provided all the information for the
18 Planning Commission to, to assess and understand
19 what, what in your best, best estimate is (talking
20 over).

21 **Altschul:** I, I hear you, but I don't see what I want to see
22 and what I want to see is you have 39 properties
23 here and if what you say is true that this transfer
24 of development rights is so vital to these people,

1 why aren't they here?

2 **Reich:** We have, we have reached out consistently and
3 talked to many of the property owners who have
4 responded positively to the group of incentives
5 that we're providing. Our expectation was that
6 maybe more property owners would be here, but I
7 can't speak to that why, why they aren't here in
8 support. I, I personally didn't lobby the property
9 owners to come to support the project.

10 **Altschul:** But I think there would be some kind of evidence in
11 the record or evidence in the visual presence that
12 they agree with you. I would hope.

13 **Reich:** We have all of our public engagement included in
14 the packet.

15 **Altschul:** Understand, I understand.

16 **Reich:** Some of that is included in the packet.

17 **Altschul:** I understand. But I...the public engagement is one
18 thing and the verbiage is another, but again, you
19 know, I think it's a wonderful thing to declare
20 something historic but I think it's even more
21 wonderful to declare it historic when the people
22 that own it agree with you.

23 **Reich:** Again we have documented our stakeholder meetings,
24 our focus groups that the, that the owners have,

1 have given feedback and we developed these
2 recommendations based on that feedback.

3 **DeLuccio:** If they want more, did they...is, is there
4 documentation that they wanted more financial
5 incentives, more significant financial incentives?

6 **Reich:** Yes.

7 **DeLuccio:** For example, historic...that is documented but
8 you're not going that direction at this time.

9 **Reich:** Yes.

10 **DeLuccio:** You're not going that direction?

11 **Reich:** Yes.

12 **DeLuccio:** 'Cause this....

13 **Reich:** That's not what we're recommending.

14 **DeLuccio:** And also I believe when consultants put their
15 report together about...in terms of historic,
16 apartment preservation program, they were actually
17 recommending it.

18 **Reich:** They, they are recommending it. That was their
19 charge to focus on these buildings. We are taking
20 a...stepping back and taking a broader view
21 considering all the other projects that are moving
22 through the City.

23 **DeLuccio:** For example, the....

24 **Reich:** For example, the seismic safety study, the

1 rehabilitation study of all the thousands of rental
2 apartments in the City that are also older and also
3 need upgrades.

4 **DeLuccio:** And those possibly could...we're not there yet,
5 down that road, but those also could require some
6 financial incentives?

7 **Reich:** That's right.

8 **DeLuccio:** Okay. I actually had a question for the rent, rent
9 stabilization if I may ask. The, the current fee
10 is \$120 a year and is split each unit \$60 per the
11 landlord and \$60 per tenant?

12 **Uszler:** I'm sorry? I didn't hear you.

13 **DeLuccio:** The rent, the fee, the \$120 fee, registration fee,
14 it's split \$60/\$60 right now?

15 **Uszler:** Yes. Fifty percent of it is, goes to the tenant
16 and 50 percent is to the landlord so I presume the
17 50 percent that's waived is the landlord's portion
18 of it and the 50 percent, the other 50 will still
19 get passed through to the tenant as it does now.

20 **DeLuccio:** Okay and as far as painting of buildings, the
21 exterior, what is the requirement, every how many
22 years?

23 **Uszler:** Every seven years for exterior paint.

24 **DeLuccio:** And is that a, is that a...that's what it says in

1 the books, but is that something that's absolutely
2 done every seven years or has that become a
3 judgement call?

4 **Uszler:** You know, we order work done based on a complaint
5 basis, so if people come in to us and file for a
6 hearing and the hearing establishes that the paint
7 is over seven years old, typically the hearing
8 examiner will order it but I would say in most
9 cases paint is over seven years old and the tenants
10 don't bring anything to us because it may not need
11 it.

12 **DeLuccio:** Okay, thank you.

13 **Reich:** If I may add to that, since my tenure here, there
14 have been at least two buildings where that, that
15 requirement has been an issue and it's been a
16 difficult issue for the owners to deal with.

17 **Jones:** Can I ask a question of the consultant before you
18 literally take off? I'd like to...this is kind of
19 very broad, but I'd really like to know based on
20 the four incentives that staff is recommending in
21 their report, how many of the 39 buildings that
22 have been designated historic and are currently
23 multi-family residences and are rentals, how many
24 of those property owners do you think would

1 actually apply and benefit from these incentives?

2 I'll just limit it to apply because benefit from is
3 a much more subjective way to frame the question.

4 **Chu:** So for all four of the (talking over).

5 **Jones:** Sum total.

6 **Chu:** Sum total, so for the transfer of development
7 rights, we have about 17 other properties that
8 could take advantage of it and we certainly did
9 hear feedback from some of the owners that they
10 were interested in that and for the properties that
11 did qualify, and I think for technical assistance
12 we also heard quite a bit of feedback from the
13 owners that they would be very interested in that
14 and that would be helpful to them. I think they
15 were happy to hear about fee waivers and the
16 painting alternatives. I don't know if they...we
17 heard specific numbers about how many would
18 consider an alternative plan for the painting, for
19 an alternate painting plan. I envision some of the
20 ones that have Mills Acts may want to do that and
21 that could be part of their Mills Act contract.

22 **Rypkema:** I'll give you a general response, is...my
23 experience is incentives don't become effective
24 because they're passed by City Council. It really

1 is something that has to be marketed, handheld, let
2 me help you fill out the paperwork. It just...you
3 think these, these guys were invited and they sat
4 in focus groups, why aren't they applying? It just
5 doesn't work that way. You really need to go and
6 so I think that part of it, and that's why maybe
7 the most effective of all of these four is the
8 technical assistance person who literally can go
9 over to a property owner and say hey, we can help
10 you with the Mills Act application, so I think
11 it'll have to be assertive on the part of the City
12 as opposed to waiting for them to line up.

13 **Jones:** That's helpful, thank you. I also want to be clear
14 that in terms of the transfer of development
15 rights, that would require a property owner or
16 developer in another adjacent or not adjacent area
17 to actually request those rights, correct? It's
18 not a given. It's something that would have to be
19 contingent upon expressed interest, right?

20 **Chu:** Yes, that's, that's correct.

21 **Huebner:** So there was no like data gathering about who, how
22 many of these property owners actually I guess need
23 an incentive? Or actually just don't want to spend
24 the money, period? Incentives or not.

1 **Rypkema :** Yeah.

2 **Huebner :** I mean are they, are they financially well enough
3 off that they can do this, they just don't want to?

4 **Rypkema :** I will give you my most candid response to that, if
5 I could. In your experience it...that the, the
6 fact that work really needs to be done if those
7 buildings are going to be for the next generation
8 and that, that was part of our thinking that the
9 client is the building, not the owner, is that,
10 that there is, there is three potential barriers
11 that, that's stuff that should be done is not being
12 done and, and that's prima facia, it's not being
13 done. Stuff is past its life. Number one is they
14 don't have the financial means. Number two is
15 they're just in (INAUDIBLE) and don't want to. I
16 don't know what to do about that. And the third
17 that there's some kind of regulatory hurdle or
18 barrier or something that's precluding that to, to
19 happen and so when we thought it from the
20 perspective of the building, we tried to say then
21 what are the incentives that could overcome that
22 barrier to make sure that the building gets treated
23 as the building does. So well we had to guess, if
24 it's 30, if the 39 buildings have 35 property

1 owners, I don't know what share of that, but my
2 guess is that, that given the right set of
3 incentives, that a substantial amount of good
4 treatment of the buildings will happen that without
5 the incentives won't.

6 **Buckner:** Now are some of the buildings in such disrepair
7 that there are health and safety concerns?

8 **Chu:** We didn't find that there was any immediate health
9 and safety issues in the buildings that we looked
10 at. They again were generally being well
11 maintained on a day to day level but there were
12 certain things that may not be visible to the eye,
13 but we didn't see anything that were emergencies or
14 things that concerned us.

15 **Buckner:** So those would be addressed by Building & Safety or
16 Code Compliance issues and that's not what we're
17 talking about here. These are just maintenance
18 issues and keeping them clean so that...well clean
19 in the sense that cleaning up the paint that's been
20 painted over and over and over many, 20-30 coats of
21 paint where you don't even see the detail on the
22 buildings and that sort of thing, cosmetic and
23 architectural detail, right?

24 **Chu:** What we're seeing is the buildings are being

1 maintained since they are being kept up, but it was
2 the certain things that you didn't see, the things
3 on the inside, infrastructure that we were hearing
4 owners feeling like these buildings need a constant
5 maintenance and constant repairs.

6 **Buckner :** And upgrade.

7 **Chu :** And upgrade.

8 **Buckner :** Upgrade to code and so forth.

9 **Chu :** Yes, so that...it was the infrastructure systems,
10 the plumbing, the electrical, the structural
11 systems that you didn't necessarily see what
12 conditions they were in, but that they were
13 affecting how the buildings are being...the
14 operations of the building.

15 **Buckner :** So of the owners that you don't think would be
16 willing to take advantage of these incentives for
17 whatever reason, was it because they really wanted
18 to just get the City to give them money, grants,
19 and that is not legally possible, so is that part
20 of it, sort of a disgruntled group that didn't
21 really feel that they were really getting any
22 benefit? Is that part of it?

23 **Chu :** There was a wide variety of opinions from the
24 owners that we heard and there were some that

1 probably did feel like they wanted to see more from
2 the City and felt that they were not necessarily
3 being supported from the City and would like to see
4 the City make more of an effort, that they felt
5 like would be more supportive of what they've been
6 doing and there are others who understood the
7 issues that they have and would like to see the
8 City again help them on some of the specific issues
9 that they had. So it was a wide variety of
10 opinions that we have from the owners and who felt
11 like they wanted to take advantage of some of the
12 incentives and some who felt like maybe they would
13 not take advantage of it and, and that goes to the
14 property types that they had as well.

15 **Altschul:** If you had to prioritize the transfer of
16 development rights or the maintenance of the
17 infrastructure, i.e., the plumbing and the
18 electrical, how would you do that?

19 **Reich:** Well the transfer of development rights is a tool
20 to raise capital for those....

21 **Altschul:** Could the consultant answer that?

22 **Reich:** Oh, certainly.

23 **Chu:** So I don't know if it would...it's an either or
24 prioritization on that sense. I think for the

1 transfer of development rights program we would
2 also want to see a rehabilitation plan with that
3 where the funds would go when they receive those
4 funds for that transfer and we would also want to
5 see those prioritized, the major system upgrades,
6 the ideas that this is something that the City's
7 offering as an incentive and the strings that come
8 with it is looking at how the funds would be spent
9 and we want to see most of that being put back into
10 the building and then the things that they do....

11 **Altschul:** In other words, you might want to see them
12 coordinated.

13 **Chu:** Yes.

14 **Lesak:** So there's a current, there's a current incentive
15 on the books, it's called the Mills Act Plan and
16 that's a property tax abatement and with that the
17 property owner has to submit a plan. The Mills Act
18 typically is a little more maintenance focused as
19 opposed to kind of large scale capital projects. A
20 plan has come to the City and it has to be
21 approved, so the City has the opportunity to focus
22 those savings to particular areas of the building
23 so there is that (talking over).

24 **Altschul:** Do you find that our, that our City is proactive in

1 holding the landlord's hand and bringing them to
2 the table to do this?

3 **Lesak:** I'll let you answer that.

4 **Chu:** You know, on the Mills Act, it does seem like the
5 staff has been very helpful with helping the
6 applicants go through the process of putting
7 together a Mills Act Plan from what we understand
8 and from the plans that we've seen, they've been
9 fairly thorough and really address the, the issues.

10 **Altschul:** But does the property owner have to come to
11 the...to City Hall and, and request it or does the
12 City reach out and say, listen, your electrical
13 system may not last this generation, no less go
14 into the next generation, may we suggest you do a
15 Mills Act request?

16 **Reich:** Currently, we expect property owners to come
17 forward to us. With the technical assistance
18 program, we will be proactively reaching out,
19 particularly to the 10 or 11 properties that would
20 really benefit from the Mills Act program.

21 **Altschul:** Okay.

22 **Buckner:** The Mills Act program, they...you're required to
23 have a specific proposal and there's oversight to
24 make sure that there's the, the owner is using the

1 funds as proposed and there's stopgap along the way
2 to make sure before any additional monies are laid
3 out, correct? Are you we going to have that same
4 kind of an oversight in terms of these incentives?

5 **Reich:** Yes.

6 **Huebner:** So when you were talking about the TDR and
7 there's...and one part it says most of the sales
8 proceeds, shouldn't it be all of the proceeds?

9 **Reich:** Well we anticipate the....

10 **Huebner:** But is some.

11 **Reich:** We will anticipate that there are administrative
12 costs for the property owners and so that is why we
13 would anticipate maybe a 10 or 15 percent would go
14 to administrating those costs.

15 **Huebner:** And is there, is there a way to...I mean it said in
16 there too after they need to complete their
17 upgrades within five years. So is, is there a way
18 to put more teeth into it to say after five years
19 they don't revert, they're forfeited?

20 **Reich:** Certainly.

21 **Lightfoot:** Yeah, I want to also ask about the, the TDRs. One
22 of the issues that, that I find is that this is
23 really only beneficial to the smaller buildings
24 because those are the ones that have development

1 capacity that is going unused and those are the
2 buildings who...that need the, the least amount of
3 money to rehab their buildings. So it seems like
4 it's a little bit upside down because of the, the
5 four main recommendations here. That seems to be
6 the only one with any money in it and that is for
7 the smaller properties that don't have as much
8 trouble doing this rehab.

9 **Chu:**

10 Yeah, we're finding that all the property types
11 have their certain issues that they, they face, so
12 while the larger buildings may have large scale
13 work that they have to do, they also have more
14 units that generate more income and so the smaller
15 buildings, while some of the work may be relatively
16 easier or in comparison to the larger buildings,
17 they have smaller, fewer units that they can recoup
18 that cost from and so each of the property types
19 have their own issues and even the smaller
20 buildings also struggle with needing some
21 assistance doing some of these major rehabilitation
22 work. Those properties also may not need to
23 relocate tenants and would do the work probably
24 more piecemeal which increases the cost. So I
think the TDR program, it's not uniformly all the

1 smaller buildings, it is actually a wide mix too.
2 There are some, some midsize buildings that
3 surprisingly have fewer units than are allowed by
4 Zoning. They tend to have larger units actually.
5 So it's a wide variety of mixes and we do think
6 that the smaller buildings would need some
7 assistance as well and that the program will
8 provide that in the, the...in a level that is
9 comparable to their size and the larger buildings,
10 one of the things that's...for the Federal Historic
11 tax credits, the larger buildings tend to use the
12 tax credits more, that they just...the scale of
13 that type of program, the economy scale benefits
14 the larger buildings whereas the smaller buildings
15 have a harder time using that to make sense for
16 the...given the number of units that they have. So
17 in some ways the larger buildings could take
18 advantage of the tax credit program and if there's
19 some way we can help them access that program as
20 well.

21 **Altschul:** What is there to mandate that the property owner
22 uses the tax credit to repair their buildings
23 rather than to go to Florida for the winter?

24 **Chu:** Is the question if there's a mandate?

1 **Altschul:** Yeah, how do you assure that the tax credits are
2 used for the purpose of rehabilitating the building
3 rather than taking a vacation to Bora Bora?

4 **Rypkema:** Because the tax credit's only awarded after the
5 work is completed and there's approval of the work
6 so you don't even get it until it's all done.

7 **Altschul:** That's a good, that's a good....

8 **Lightfoot:** One more or a couple more on the TDRs. If, if a
9 smaller building, say it's a, you know, it's an
10 eight unit building or whatever, if they really
11 have say, and I'm just going to throw numbers out
12 there, I don't have a clue what the numbers are,
13 but if they needed \$50,000 worth of rehab done and
14 they have enough development credits to sell that
15 are worth \$150,000, how does...how would that work?
16 And could a developer buy, go around buying up
17 development rights from multiple properties?

18 **Reich:** So the first part of the question, we are proposing
19 to create a fund that would be used for the
20 building in the same way that the tax credit
21 program is used for the building. Those funds
22 would be reimbursed to the owner after the work is
23 done. Most of the buildings we found could use
24 more than \$50,000 worth of work to rehab the

1 building system, so that's not a big concern in
2 that regard.

3 **Lightfoot:** Well I'm talking about the difference between how
4 do you match the development rights that are sold
5 with the need for rehabilitation, you know, as far
6 as the dollars are concerned? That's what I'm
7 asking.

8 **Reich:** So there is a need for rehabilitation in all of
9 these buildings and the TDR program is a tool to
10 provide those buildings in an equitable way, those
11 buildings that don't have...that are built under
12 density, and so the second half of your question
13 is, could a developer buy up any number of units
14 from any number of owners, there is a cap for any,
15 any site. What we're proposing is that you could
16 only use up to .5 additional FAR and one additional
17 story, so it's not unlimited as to what you'd be
18 able to use on any particular site.

19 **Lightfoot:** I don't know whether I'm not asking the questions
20 correctly. Yeah, I mean I'm trying to find out if,
21 if an apartment building wants to sell their, their
22 credits for whatever number of square feet or
23 whatever, and they are, they are undeveloped,
24 underdeveloped enough that they've got a lot of

1 credits to sell but they don't need that much
2 rehabilitation. Are they only allowed to sell the
3 amount of rehabilitation money they need and that's
4 all the developer can get from that
5 particular...just I'm trying to figure out how it
6 works...

7 **Jones:** It's based, it's based on the size of the building.

8 **Lightfoot:** ...in the exchange.

9 **Chu:** So it's a couple different things. I think what,
10 and that would be part of developing the program is
11 putting some of the safeguards in place so that the
12 funds, I think we were talking about having the
13 funds be in a trust of some kind so that the monies
14 are set aside and they would run with the land so
15 that the...and the property owner will be proposing
16 the work that they're doing and drawing from that
17 fund. So if they are doing work that's less than
18 what's available in the funds, the funds are set
19 aside. They're not pocketed or they're, they're
20 available to the building when its owner or
21 (talking over).

22 **Buckner:** So would those funds be available to that building
23 and like in perpetuity, so like 20 years later down
24 the road they have to do additional work, they

1 could then use the funds then?

2 **Chu:** I think that's the idea that we're looking at it
3 will be....

4 **Buckner:** It's just sort of sitting there in a, in a fund.

5 **Huebner:** They don't get cash.

6 **DeLuccio:** No.

7 **Lightfoot:** But they could only sell the number of credits or
8 the square footage worth of credits that they
9 actually need in funds and they would....

10 **DeLuccio:** No, not necessarily.

11 **Jones:** No, no,no.

12 **Chu:** They could sell however much square footage they're
13 underdeveloped by, but the, the funds would be set
14 aside so that they will benefit the building
15 whether it's this current owner (talking over).

16 **Jones:** Right, it's not....

17 **Lightfoot:** The funds would sit, would sit in an escrow account
18 and they wouldn't be able to use them?

19 **Jones:** No, they would be able to use them as needed. As
20 needed and it stays with the property regardless of
21 who owns it.

22 **DeLuccio:** Just like use it or lose it.

23 **Lightfoot:** Well....

24 **Chu:** No, it (talking over)....

1 **Lightfoot:** (Talking over) some of the smaller, when you look
2 at some of the smaller places, you know, they've
3 got a, you know, underdeveloped by a lot of units,
4 so that would be the most amount of money that
5 would be sold in the, in the, in the credits, the
6 most amount of money, you know, and so the money is
7 just going to sit in the bank forever, even though
8 they never used the money?

9 **DeLuccio:** It hasn't been executed yet. I think basically
10 what it -- that's, those are the type of things
11 they need, would need to flush out and maybe it's
12 just a limited amount of money they could maybe, or
13 a square footage they cap it, what they could take
14 out.

15 **Reich:** Yeah, we would require each of these owners to be
16 pre-certified with a maintenance plan. So if there
17 was that kind of mismatch that you're, you're
18 suggesting, that an owner could only use say a
19 million dollars to rehab their building, then
20 perhaps we would put a cap that could be sold so
21 that there would be an even match. That's, that's
22 an interesting recommendation. It didn't occur to
23 us that there would be such a mismatch, but that's
24 certainly something we can, we can do as we develop

1 the program.

2 **Lightfoot:** And the second part of the, the second part of it,
3 if, if a developer cannot get enough credits to
4 build to the cap, then could he get it from
5 multiple, from multiple properties?

6 **Reich:** Yes, he can, he can approach multiple property
7 owners to reach what would be allowed under that
8 density bonus.

9 **Lightfoot:** Thank you.

10 **Altschul:** We have four or so speakers.

11 **Lightfoot:** Do you, do you have something to add? You, you
12 kept....

13 **Rypkema:** Yeah, just, just two tiny things. I did all the
14 calculations on what would likely come from each
15 property and, and what they would do, just kind of
16 reasonable, you know, (INAUDIBLE) calculations. I
17 don't, I don't think that particular problem is
18 going to be that common, but I think the second
19 thing is this issue about thinking of the client as
20 the building rather than the owner. So if you
21 think about the building, who's really entitled to
22 that investment, it really doesn't matter and for
23 the sake of argument that they only use half of
24 those proceeds to get everything up to speed and

1 the money does sit in the bank. Well that's kind
2 of the building's money for the next...might be a
3 different owner that uses that or something, so I
4 think, just think of it, forget it's the owner and
5 the building then it begins to make more sense.

6 **Buckner:** It comes with the land.

7 **Altschul:** Stacey?

8 **Lightfoot:** Thank you.

9 **Jones:** Thank you. So I have a quick question. This
10 is...well we...I have the last question about TDR,
11 at least for me it will be. So currently in the
12 City do we have any TDR incentive programs? Don't
13 we have one around buildings on the Sunset Strip?

14 **Reich:** We have, we have an incentive program that's on the
15 books as Flora mentioned since 1994 that was
16 associated with the Sunset Strip.

17 **Jones:** Right.

18 **Reich:** There were other ways for properties to get
19 additional density so that program was never used.

20 **Jones:** Right, because the density bonus was essentially
21 more appealing than the TDR.

22 **Reich:** But there were other ways to get, to get the....

23 **Jones:** And we're not...you're not...like consultants and
24 staff are not concerned about that being an issue

1 in this case?

2 **Reich:** We are not because we are proposing to create a
3 market by identifying properties that can't get the
4 additional density in any other way other than the
5 density bonus that would be allowed under
6 affordable housing density bonus.

7 **Jones:** Okay. Thank you.

8 **Altschul:** We have a few speakers that...at this point, how
9 about if we let them ask their questions or make
10 their statements. Two minutes each. Laura
11 Boccaletti?

12 **Boccaletti:** Good evening, I'm Laura Boccaletti. I'm a Board
13 member of the West Hollywood Preservation Alliance.
14 I live in West Hollywood. I just want to read you
15 what we just put on our blog on our website. In a
16 six to nothing vote at it's May 23rd meeting, the
17 Historic Preservation Commission not only moved to
18 support for relatively minor recommendations for
19 incentives related to the City's 38 historically
20 designated apartment buildings, but also included
21 several broader incentives which the West Hollywood
22 Preservation Alliance had urged the Commission to
23 support. Foremost among these are establishing a
24 much more robust historic apartment preservation

1 program as outlined in the consultant firm Page &
2 Turnbull's report on page 30, hiring a full time
3 City staffer devoted to historic preservation
4 issues and using grants on the Community
5 Development block grant program to assist owners
6 with historic buildings. WHPA members Cynthia
7 Black, George Credle, Stephanie Harker and Victor
8 Omelczenko testified before the Commission. The
9 WHPA statement submitted to the HPC appears...this
10 is the statement. The HPC's hearing and
11 recommendations are just the first step in a
12 process that includes a May 26th Rent Stabilization
13 committee hearing and a June 2nd Planning
14 Commission Hearing. A final City staff report will
15 then be developed for City Council's consideration
16 at its August 15th meeting. The WHPA will continue
17 to monitor the process and comment on proposed
18 incentives which if enacted would do much to
19 bolster the City's contention that it puts a high
20 priority on historic preservation. Thank you.

21 **Altschul:**

Thank you, Stephanie Harker to be followed by Steve
22 Martin. No, no, no, sorry, Cynthia Blatt to be
23 followed by Stephanie Harker.

24 **Blatt:**

Thank you, Cynthia Blatt, West Hollywood. Although

1 I'm speaking tonight as a private City, I...a
2 private citizen, I'd just like to say that for the
3 last 15 years I have worked for the United States
4 Department of Housing & Urban Development where I
5 am a grant administrator, a regulator and a public
6 trust officer. So again although I'm speaking as a
7 private citizen, my knowledge base is my knowledge
8 base. On, on page 31 of the survey, it states that
9 because of state law, direct grants cannot be
10 given...wait, I'm sorry. Oh, here we go. State
11 law prohibits direct grants to private property
12 owners. So what I just handed you were the CDBG
13 Community Development Block Grant regulations and I
14 draw your attention to A-1, which states privately
15 owned buildings and improvements for residential
16 purposes are eligible. Those are grants, we're
17 talking about grants here. If you turn your pages
18 over and look at the highlighted portion D, it says
19 CDBG funds may be used for the rehabilitation,
20 preservation or restoration of historic properties
21 whether publicly or privately owned. There seems
22 to be some confusion in the City about the
23 difference between grants and gifts of public
24 funds. Certainly, gifts of public funds are not

1 eligible but grants are not gifts of public funds.
2 First of all, they serve a public benefit. In the
3 case of this kind of...of the kind of
4 rehabilitation, restoration or renovation that
5 we're talking about, each building could have in
6 return a 55 year restrictive use covenant which is
7 what the state requires, 55 years. HUD only
8 requires 20 to 25 depending on the size of the
9 investment. In addition...oh gosh, I just lost my
10 train of thought. So the point is that...oh, in
11 addition, if you took the \$286,000 that the City
12 uses CDBG funds on to fund sidewalk repair and
13 several other areas where the City...

14 **Altschul:** Thank you.

15 **Blatt:** ...funds, you could (talking over).

16 **Altschul:** Thank you.

17 **DeLuccio:** I'd like to hear...

18 **Altschul:** Thirty more seconds.

19 **Blatt:** Thank you. \$286 million CDBG on sidewalk, \$400,000
20 of CDBG money spent on Path, which serves Greater
21 Los Angeles. If you took this money, combined it
22 with the two or three million from the City's \$100
23 million reserve, you could have a \$3.5 to \$4
24 million historic preservation renovation program

1 that would be quite robust and could include a much
2 wider area than the 39 buildings, as well as the 39
3 buildings. Thank you very much.

4 **Altschul:** Stephanie Harker to be followed by Steve Martin.

5 **Harker:** Good evening, Stephanie Harker, City of West
6 Hollywood. Before I start, I wanted to note that
7 I'm wearing orange in support of the violence, the
8 gun violence and the gun violence victims. Today
9 on June 2nd, thank you.

10 **Altschul:** Give her credit for that time please.

11 **Harker:** I am a member of the Rent Stabilization Commission,
12 but I'm here speaking as an individual. I'm also a
13 member of the Non-City, the private shall we say or
14 the nonprofit historic preservation community and
15 founding member of WHPA. As I did note at our
16 Commission meeting, these three topics, rent
17 stabilization, historic preservation and planning
18 are so intertwined on these...this particular
19 topic. I am of the opinion that the seismic study
20 should be the first to go through and the first to
21 be funded in any way possible or we could find
22 ourselves with no buildings to rehabilitate. It's
23 imperative that we do that. I also find the study
24 is lengthy and informative but I don't think there

1 is as much outreach or not...there was outreach,
2 there wasn't as much input as possible. For
3 instance, there are 593 units of rent stabilized in
4 these buildings and that's almost 1,000 people who
5 are involved in this and yet at the tenants'
6 meeting a couple of years ago, there were only 10
7 people there and when I went to the focus group in
8 January of this year, there were zero tenants
9 there. I don't know what can be done to get those
10 people involved, but maybe personally sending them
11 letters individually and trying to get a response
12 from them would be good 'cause I don't think any of
13 them should not know that they could be relocated
14 while these massive rehabilitation things go on.
15 Also in this memo from Ms. Reich, Rent
16 Stabilization Commission was not supportive of
17 providing large sums of money in form of
18 incentives. We did not really discuss that. One
19 Commissioner did bring it up, but that was his
20 personal comment. The rest of us were not
21 supportive and we were not not supportive. I just
22 hope that anything can be done to help these
23 buildings again or we will not have them, but
24 seismic above and beyond. Thank you.

1 **Altschul:** Thank you, Stephanie. Steve Martin followed by
2 Grafton Tanquary.

3 **Martin:** Steve Martin, West Hollywood, and I'm wearing
4 orange shoes like Stephanie in support of victims
5 of gun violence, particularly those two gentlemen
6 who lived on Palm who were shot by the Sheriff's
7 Department last year.

8 **Altschul:** Thank you, credit him for that time please.

9 **Martin:** I want to, I do want to thank staff for bringing
10 this forward. I want to thank the Commission
11 for...you asked some pretty great questions and
12 really helped I think fill out, flush this out
13 really, really well. Well, as well as it can be.
14 There's a lot of moving parts on this. I know
15 we're only talking about 600 units, maybe 1,000
16 people, but you know, those units are people's
17 homes and every home in West Holly-, the most
18 important home in West Hollywood is your home and
19 you know, it may not be really important to
20 somebody who's paying \$1,800 or \$2,000 or more for
21 a one bedroom, but for long term tenants, people
22 who are seniors, disabled, who have rent control
23 units have historically low rents, they really are
24 very afraid of being caught in anything that is

1 going to wind up dislocating them from this. One
2 of the things I would suggest is because we're
3 going to be approving a whole lot of hotels that
4 want to come in that we should be having agreements
5 where these hotels provide us with discounted rooms
6 so that in cases of emergencies and we need to
7 relocate people, the City can have a place to put
8 people who want to stay in hotels so we can try to
9 keep people in place. You know, it's not just
10 historic buildings though that, that...we need to
11 work on this non incentive way and I appreciate
12 putting cash up to keep landlords in business, but
13 we also need to disincentivize the demolition of
14 rent controlled buildings and older rent controlled
15 buildings. We really need to create truly
16 neighborhood green environments. We need to have
17 setbacks that make sense. We shouldn't be allowing
18 watt line to watt line, underground parking. We
19 should be providing solar. There's a lot of things
20 that we can be doing to keep people in the rent
21 controlled market rather than demolishing their
22 buildings and putting in condos and we've only
23 scratched the surface of it and I think there's a
24 lot more we can do and I think we need to move

1 forward on a disincentive for demolition for all
2 rent controlled buildings along with this program.
3 This program is very good but that's (talking
4 over).

5 **Altschul:** Thank you. Grafton Tanquary to be followed by Ron
6 Emmons. Grafton, it's nice to see you.

7 **Tanquary:** Good evening one and all, I haven't been here for
8 quite a while. Happy to see many of you again. If
9 you haven't done so, I would strongly recommend
10 that you read the report from Page & Turnbull.
11 It's an excellent report. It goes into a lot of
12 detail. It not only qualifies the work that has to
13 be done in some of these old buildings, but it
14 quantifies them and it's very relevant information.
15 However, the basic problem is that after all of
16 this analysis is done, we haven't come up with a
17 solution to the problem. The solution is very big.
18 I live in a 50, I live in (INAUDIBLE) apartments
19 which is a very well maintained building. They are
20 50 units there and according to the consultant it
21 would cost over \$6 million at some point trying to
22 renovate that building. That building is never
23 going to generate that kind of cash to pay for the
24 effort and the problem is that all of the little

1 tiny recommendations, unfortunately forgive me, I
2 respect you all, but disagree with you from time to
3 time, have come up with, gets nothing. It's a
4 little big here and a little bit there and it
5 doesn't answer the problem. I think that there are
6 solutions to this problem which should be addressed
7 by staff. I would like to recommend that if you
8 accept this report, you indicate that
9 staff...you...that this is not a finished issue,
10 that you'd like to see it pursued until we could
11 come up with an answer. If not, I think we're just
12 wasting our time. In regard to the specifics,
13 technical assistance I think is always a great
14 idea, fee waivers is fine, but again it's de
15 minimis. Alternative painting standards is a joke.
16 You don't have to...you paint your new unit every
17 four years, you have to, you have to repaint it
18 when it's necessary and even if you change the
19 painting standard from four years to seven years or
20 20 years, that money is, is nothing, absolutely
21 nothing. Transferred development rights is a new
22 subject for me and one that has a lot of questions
23 associated with it and I think that one is worth,
24 well pursuing. But as a whole, please don't just

1 accept this report and do whatever you want to this
2 report and let it die. I don't want to see this
3 question. We've been talking about this issue for
4 28 years and I'd like to see it come to some
5 fruition. It needs more work, greater work and we
6 need to look at alternatives that haven't been
7 discussed.

8 **Altschul:** Thank you, Grafton. Ron Emmons followed by Victor
9 Omelczenko.

10 **Emmons:** Good evening everyone, I'm Ronald Emmons and I
11 guess I'm the proud owner of 1224-1226 North Floray
12 Street, which you're all familiar with I'm sure,
13 and I'm here to ask the Planning Commission to
14 consider the propositions that have been presented,
15 the four recommendations specifically regarding
16 historic buildings. My building was built in 1928,
17 long before I was born. I spent a lot of time and
18 a lot of money. I live at the building now. I
19 spent a lot of time keeping it, keeping it on its
20 feet and it's no easy task. But Stephanie called
21 and...a couple years ago was it? Yeah, and we
22 talked about some folks who were coming over from
23 Pasadena that wanted to evaluate the building in
24 terms of what it needed, in terms of improvements

1 and I said well, I'm spending a lot of time and
2 money on the building myself right now. I'd like
3 to see what they say too and it was productive as a
4 matter of fact meeting these people from various
5 sundry, I don't know exactly where they were coming
6 from but I have the cards at home if I wanted to
7 look at them and anyway, so two years ago I spent
8 about \$100,000 improving the building, putting on a
9 new roof, doing...taking care of the termites that
10 were gobbling away and putting solar panels on the
11 building, which have been very helpful in keeping
12 it going, but before I get too, get too far into my
13 own situation, I wanted to stand behind the
14 positions that you're taking or have been proposed
15 to you regarding the four, I guess it's four at
16 this point, the four pieces of cheese that are
17 being fed to the historic property owners. I would
18 like to say one thing before I leave here is that
19 instead of the minimal amount of money that you are
20 proposing to give to historic building owners that
21 you think about something more like \$500,000 as
22 opposed to what you're thinking about considering
23 the number of buildings in this city, considering
24 what I have spent just in the last couple of years,

1 and spend all the time, we're talking about a big
2 order here and it's worth, it's worth it to you
3 certainly to consider the bigger...

4 **Altschul:** Thank you.

5 **Emmons:** ...bigger position. Thanks John.

6 **Altschul:** Victor Omelczenko followed by Cathy Blaivas.

7 **Omelczenko:** Good evening, Commissioners, I'm Victor Omelczenko
8 and I'm speaking as a member of the Board of the
9 West Hollywood Preservation Alliance. You earlier
10 heard from Laura Boccaletti but what I just wanted
11 to reinforce is that the WHPA does support the four
12 recommendations identified in the previous staff
13 reports, but we believe that much more could be
14 done to bolster the City's commitment, the City's
15 contention that it puts a high priority on historic
16 preservation while ensuring its supply of
17 affordable housing and the support of rent
18 stabilized tenants. It seems like a win-win
19 situation here. So the West Hollywood Preservation
20 Alliance supports the establishment of the Historic
21 Apartment Preservation program that's outlined on
22 page 30 of the Page & Turnbull report and we urge
23 the Planning Commission to make a motion to include
24 this program as a recommendation and we would like

1 to see it taken in affirmative public vote on this
2 matter as did the Historic Preservation Commission
3 at its May 23rd meeting. I think you got
4 documentation from HPC Commissioner Edward Levin on
5 the results of that meeting. You know, the City of
6 West Hollywood has the financial resources. It's
7 time it started to truly respect its historic
8 buildings and the owners who provide 593 rent
9 stabilized units of housing for the citizens of
10 West Hollywood and to allocate more money into
11 maintaining our City's historic infrastructure.
12 It's all about good planning here. It's planning
13 that respects the cultural memory of the City as
14 well as the residents who depend on safe,
15 affordable and well maintained housing and I've
16 heard discussion made that some...the City staff
17 feels maybe there's not a significant benefit to
18 the City. Well one of the benefits of the City is
19 that we have a total of about 8-, I think 82, 83,
20 84 properties designated as cultural resources and
21 almost half of those or 38 of these that are the
22 consideration under this report are these historic
23 multi-family housing units, so whatever you can do
24 to implement a better program, a bigger program, an

1 investment of perhaps \$150,000 as outlined in the
2 report or maybe even a quarter of a million dollars
3 in a matching type program where owners like Ron
4 Emmons and others could fix up their properties and
5 then the City could help them out with the matching
6 funds available.

7 **Altschul:** Thank you, Victor. Victor, I have a question.

8 **Omelczenko:** Yes, sir?

9 **Altschul:** You submitted a couple of pages of comment on
10 behalf of the West Hollywood Preservation Alliance
11 with the attribution to a few Board members, but
12 what it doesn't have is a meeting date or an
13 indication as to how many people were there or to
14 who or what the West Hollywood Preservation
15 Alliance is. That would be helpful. Thank you.

16 **Omelczenko:** Would you like me to say who we are? We are....

17 **Altschul:** No, no, but in the future, you could identify the
18 group and how many people participated in it and
19 what in fact, who in fact was involved.

20 **Omelczenko:** Thank you Chair Altschul.

21 **DeLuccio:** And Victor, I didn't even know the letter came from
22 you.

23 **Omelczenko:** I'm sorry, Donald.

24 **DeLuccio:** When I read the e-mail, I wasn't aware until

1 Stephanie brought it to my attention that you wrote
2 the letter, so maybe you want...you can identify
3 yourself and sign the letter next time, the e-mail.
4 I didn't (talking over) see your name on it. I
5 didn't know it came from you. I don't know your,
6 your e-mail. The e-mail address is not
7 recognizable to your name.

8 **Omelczenko:** I see. At the....

9 **DeLuccio:** Yeah, I'm just giving you...yeah, I thought it was
10 well written and everything and thank you for it,
11 but (talking over).

12 **Omelczenko:** At the end we did say thank you for your
13 consideration and it did come from my e-mail but it
14 was credited to the Alliance (talking over).

15 **DeLuccio:** Yeah, I would've liked to seen...I would have liked
16 to have seen your name on it 'cause I recognize
17 your name and respect it.

18 **Altschul:** But how many people are in the Alliance? Who are
19 they? What (talking over)?

20 **Omelczenko:** You need all those kinds of...every time we make a
21 decision you want to know....

22 **Altschul:** So if you want some credibility, that would help.

23 **Omelczenko:** Well we are recognized by the Internal Revenue
24 Service.

1 **Altschul:** (Talking over) want it now. I don't want it now.

2 **Omelczenko:** We are a 501(c)3 nonprofit organization.

3 **Altschul:** That doesn't help anything. Who are they? What do
4 they consist of? How many?

5 **Omelczenko:** We'd love for all of you to become members. We
6 will send all of you at your individual e-mail
7 address. We will send you our facts sheet, our
8 website, our blog and you will find out everything
9 about us. We (talking over) trying to be obscure.

10 **Altschul:** Angie Beckett gets 25 bucks a year out of me for
11 the Tree People and I don't know who belongs to
12 that either.

13 **Omelczenko:** Okay. Thank you, John.

14 **Altschul:** Cathy Blaivas. Is that our last speaker, David?
15 Thank you.

16 **Blaivas:** That's a lot of responsibility. Good evening,
17 Cathy Blaivas, City of West Hollywood. I am....

18 **Altschul:** And note she's wearing orange.

19 **Blaivas:** Pardon? Oh yes, I am wearing orange as are you,
20 John. Yes, I am (talking over) on the Historic
21 Preservation Commission but tonight I am speaking
22 on my own behalf and not on behalf of the
23 Commission.

24 **Altschul:** Give her credit for that.

1 **Blaivas:** I will say though that obviously the Commission,
2 you know, you know what the Historic Preservation
3 Commission voted on and you saw the letter from
4 Commissioner Levin, but what this brings up for me
5 as a member of the community is that if each of our
6 commissions got a verbatim transcript of other
7 commissions, there would be no controversy, there
8 would be no he said, she said, so I, I...we've been
9 talking about this, it aids in transparency, but it
10 would really aid each commission to hear exactly
11 what transpired. It was the only item we had on
12 our agenda that night. Back to, to me as a
13 community member, the significant benefit to our
14 City is maintaining these buildings and again it's
15 not...it's come out tonight the study was very
16 informative. It's in addition to how they look on
17 the outside for the people who come to our City to
18 go on tours or see these buildings. The exterior
19 is vital, but it's the interior that is requiring
20 the financial burden, the electric and the plumbing
21 and it's been stated before, I'll state it again,
22 God forbid there's a fire. Then we don't really
23 have to worry about the building in terms of
24 maintenance. So you know, I just put that forth.

1 I don't own a historic building, but my property is
2 built in 1926. When I purchased, I had it rewired
3 by a licensed electrician. I know many people that
4 rely on handymen, so good luck this evening with,
5 with all your debating and thank you.

6 **Altschul:** Thank you, Cathy. And that is our last speaker.
7 We won't close the public hearing but let's go back
8 to our discussions.

9 **Lightfoot:** Can we have a five minute break?

10 **Altschul:** Let's do. How about 10 minutes. Ten minute break.

11 Yes.

12 **BREAK IN PROCEEDINGS**

13 **Altschul:** All right, we're going to resume and we'll turn it
14 back over to the staff. Lauren?

15 **Langer:** Yeah, we were talking over the break and I think
16 there's one statement in the report that might
17 require a little bit of clarification based on
18 something we heard from, from the public. On page
19 31, the consultants wrote in the report with
20 respect to grants that state law prohibits direct
21 grants to private property owners and I think there
22 might be a little bit of confusion about that
23 statement because the statement is, is meant to
24 talk about City grants, using City funds. It

1 was...I don't think it was meant to be a statement
2 about use of Federal or State funds that were given
3 to the City for a particular purpose. It was
4 limited to City grants, of City funds, and I also
5 believe Stephanie has some information on CDBG
6 funds that she would like to report to you.

7 **Altschul:** Thank you.

8 **Reich:** So our understanding is that for CDBG funds, we
9 talked with the City engineer who administers much
10 of those funds. They can only be used in certain
11 census tracks. Only four of the properties in our
12 grouping could be used...are in those census tracks
13 for which CDBG monies can be used. In addition
14 there are significant requirements that any private
15 or public property owner would need to fulfill in
16 the use of such funds.

17 **Altschul:** Okay, are there any more questions of staff? Let's
18 go from the right.

19 **Buckner:** Stephanie, would it be possible to use some of
20 those funds for those four properties...

21 **Reich:** I think it would be...

22 **Buckner:** ...for this kind of....

23 **Reich:** ...possible but very challenging in, in the
24 administration of those funds.

1 **Lightfoot:** Okay, regarding the, regarding the, the grants, if
2 the City Attorney could expand on that just a bit.
3 It is not really...you can't make a blank statement
4 that any grant from the city would necessarily or
5 always be a gift of public funds. There are ways
6 to put stipulations and set up a program so that
7 they, they do not fall into the category of gift of
8 public funds. Is that correct?

9 (INAUDIBLE)

10 **Lightfoot:** Okay, all right, I wanted to clarify that. And
11 also I just wanted to ask one thing. We talked, we
12 talked a bit about the seismic, the seismic study
13 and I just want to understand. I don't know
14 exactly where it is in the process or whatever, but
15 is, is that pending seismic retrofit program
16 causing a problem with this because of the funding?
17 So in other words, if this program was coming to us
18 later down the line after seismic had been dealt
19 with, would staff be looking at it slightly
20 different and now you're kind of worried that too
21 many funds have to go into seismic?

22 **Reich:** As I mentioned, that's one of the factors that we
23 considered.

24 **Lightfoot:** Okay and seismic actually could be part of the

1 overall rehab program for a historic property,
2 correct?

3 **Reich:** Yes.

4 **Lightfoot:** Okay (talking over). Yes.

5 **Huebner:** Microphone on. We met...I'm on the advisory
6 committee, we met yesterday for the first time. We
7 have three meetings. Next Wednesday, the Wednesday
8 after that. They're moving very quickly and they
9 need to make a recom-, we have our final meeting in
10 July, supposed to make a recommendation to Council
11 in August and we're looking at the programs for San
12 Francisco and Los Angeles and it will probably, in
13 my opinion some of it will be mandatory. It will
14 be a mandatory program because it's, like Stephanie
15 Harker said, I think it's very, very important
16 because we won't have the housing spot if this
17 stuff doesn't take place.

18 **DeLuccio:** (INAUDIBLE) recommendation (INAUDIBLE).

19 **Huebner:** We're, we're a little too early in the program to
20 look at that right now. We're just...they're...we
21 don't even have the database from the engineers
22 yet, which we'll get probably by the next meeting.

23 **DeLuccio:** (INAUDIBLE) before the Planning Commission before
24 it goes to council?

1 **Lightfoot:** Are we ready to start giving comments?

2 **Altschul:** Staff, do you have any more input or anything else
3 you want to say? Stacey?

4 **Jones:** I'm going to kick off. So I'm going to try to make
5 these as, as orderly and not stream of
6 consciousness as possible. I'm not doodling in my
7 notebook by the way, I actually take notes. Some
8 people are talking, I'm...write down things that I
9 can't say out loud at the moment. So first, I just
10 want to commend staff and the consultants, the
11 consultant group for the report and also thank, you
12 know, former and current Commissioners for serving
13 on the, the technical advisory group and for all of
14 the public feedback. It is incredibly important.
15 That's why I try never to make decisions before I
16 show up here at these meetings. The kind of
17 comprehensive nature of the consultants group
18 report was outstanding and I, I guess in terms of
19 the staff report, I'm a little surprised at kind of
20 what I perceive as the limited impact of the
21 recommended incentives and I think if I'm
22 understanding this correctly, because this was
23 initiated before I started on Planning Commission,
24 you know, the initial goal of this was to try to

1 help historic multifamily building owners, you
2 know, solve their biggest problem which is the
3 immense cost of undertaking these critical
4 improvements. And I'm...I wonder, I mean it's not
5 that I don't think that any of the four incentives
6 recommended have merit, I absolutely do, I just
7 don't know how much impact I think they will have
8 in terms of solving these...that will really help
9 truly offset the cost of these really critical big
10 ticket infrastructural improvements. I am also a
11 little bit concerned that there's kind of display
12 of the inverse incentive whereby the property
13 owners who need the funds the most for
14 rehabilitation and infrastructural improvements
15 will benefit the least from some of the
16 improvements that are being...the incentives that
17 are being recommended. You know, in terms of
18 public benefit, we've been tossing that term around
19 quite a bit tonight. I mean the significant return
20 to the City in my mind are the buildings themselves
21 and their beauty and kind of the fact that we are
22 able to have them and see them and drive by them
23 and have visitors enjoy them in our community and I
24 mean it...the historic preservation committee and,

1 or commission rather, and really even this
2 initiative wouldn't exist were it not for, I think
3 that kind of foundational belief, I think that
4 we're all in agreement the historic preservation is
5 a priority and a value for the City of West
6 Hollywood and especially as much as we up here hear
7 about, you know, the kinds of new buildings that
8 are being built and the kinds of buildings that
9 are, you know, maybe go away in their wake or are
10 removed, I want to be mindful of that. I also just
11 want to note quickly, we actually did get an audio
12 transcript of the historic preservation committee
13 with our agenda packets, Cathy, so I just...we did
14 get that and it was the full, the full meeting.
15 I'm also not sure that I feel like it's one or the
16 other with the seismic study. You know, I imagine
17 that these buildings would be among the most
18 heavily impacted and would be the first to go if
19 there were a major earthquake, so I don't know if
20 there's a reason why we can't work in a
21 consultative way with the advisory group for the
22 seismic study and include these buildings and
23 prioritize them within the buildings, all of the
24 buildings that are being studied. You know, I

1 think there were a lot of really great suggestions
2 that were bulleted out in the actual consultant
3 group report and, you know, it was the consultant's
4 job to take the community feedback and really
5 analyze it and I'm...I was actually really
6 appreciative of the, the memo that we got
7 specifically from Edward Levin from the Historic
8 Preservation Commission. You know, there are a lot
9 of things in here that I think we're not kind of
10 giving their due, like the...I have them all
11 written down here, of course now I've lost them,
12 like licensing fees and the preservation foundation
13 and tours and really even the, you know, the
14 historic apartment preservation program. I think
15 there are merit in all of these or even wasn't
16 there like a façade beautification matching fund
17 program for the Eastside Redevelopment Zone?

18 **DeLuccio:** It's part of the licensing fee.

19 **Jones:** Okay. So you know, I just think that there
20 are...what I would rather do as a member of this
21 Commission is to recommend to Council kind of the
22 most viable options that are going to help the
23 stakeholders who will truly benefit from these
24 improvements and that's not just the landlords,

1 it's people who live in rent stabilized units. So
2 you know, I, I don't know that I...I want to hear
3 what the rest of the kind of Commission has to say
4 about, you know, what we heard here tonight and
5 what we've read and recommendations from staff and
6 Page & Turnbull, but I...you know, we're a creative
7 city. I, I feel like, you know, we have an
8 obligation to figure out some creative ways to help
9 the property owners who need it most, you know,
10 make the improvements that are needed for these
11 buildings so that they can be here in another 100
12 years or even 50 years. So those are all of my
13 comments. Thank you.

14 **Altschul:** Sue?

15 **Buckner:** Yes, I was fortunate to sit on this task force and
16 I remember the very first meeting I think that
17 we...I may have missed the first one because I
18 wasn't on that one, but at Plummer Park, we're
19 starting, we were like working on a chalkboard
20 trying to figure out all the possible things. We
21 were brainstorming about all the possible things
22 that we could do to provide incentives and we
23 started with a large number of ideas, creative
24 ideas and this went on, I think this project went

1 on for more than...well more than a year, almost
2 two years with all the meetings that we had with
3 the stakeholders, with the community, with
4 Commissioners and Planners, it went on. They'd
5 meet and then they'd come back with some
6 information that was from other and back and forth
7 and back and forth and it took a long time to get
8 to the point where we could find incentives that
9 were reasonable and doable under...looking at the
10 legal issues, looking at the monetary things,
11 listening to people, the landlords and so forth. I
12 think that it was a huge undertaking. It went over
13 a long period of time and I really want to thank
14 Stephanie and the staff and the consultants for
15 their hard work and to extend gratitude to all the
16 participants and the people from the community who
17 participated and I think it was truly a community
18 effort. It, it looks like we got to a point and it
19 doesn't look like maybe very much because by the
20 time you hashed it all out and looked at all the
21 possibilities, it seemed like there weren't a lot
22 of things that we could actually do that would
23 benefit and would be effective. I agree that we
24 would've liked to had more and maybe we can still

1 look at other possibilities, but I think this is a
2 good start, just start somewhere and maybe we could
3 add things in as we go along. But I think that we
4 need something for...to incentivize the landlords.
5 There's some that really want to participate and
6 take advantage of the incentive program as best
7 that they can and there are some that aren't going
8 to. I do think that the recommendation to include
9 somebody from...a technical assistance to the
10 owners is probably a really good thing and I
11 encourage the outreach because I think that it's
12 about educating the public, the landlords in
13 particular of what can possibly be done and how
14 their particular building might benefit and I think
15 that it's going to take an effort to do that. So I
16 really encourage that we get somebody on staff to
17 be able to do that. I don't know if it should be
18 an on-call, maybe in the beginning but I do think
19 they need to be somebody on, really available to
20 answer questions and encourage the landlords to
21 make...to take advantage of whatever incentives we
22 can provide for them. And I just think...I just
23 want to thank everybody who participated. I know
24 that it's not enough but it is something and a good

1 beginning and I really encourage our Commission to
2 pass it along to Council with a recommendation to,
3 to make these incentives available.

4 **Altschul:** Sheila?

5 **Lightfoot:** Well first I want to say that I agree with many of
6 the comments that Commissioner Jones made. I think
7 that it's a little disappointing. I read through
8 all 300 pages and I'm telling you, there's some
9 really, really good stuff in there and I'm, you
10 know, I'm kind of disappointed that, that what's
11 being recommended seems to me paltry after two and
12 a half years of this, this going on, but that said,
13 taking the, taking the items, first the ones that
14 are recommended, I think that we...when we talk
15 about an on-call preservation consultant, I think
16 we need a full, finally we need a full time staff
17 member who has an expertise in historic
18 preservation. I think that we've needed it for a
19 long time and something in particular jumped out to
20 me when I was looking through this entire report
21 and that is that there are a lot of small programs,
22 when I say small it's like we're not really talking
23 about them or whatever, but there are a lot of
24 programs out there that could possibly be used in

1 combination not involving City money, not involving
2 building more density and other people's
3 neighborhoods, but it would take someone with an
4 expertise in historic preservation full time to
5 really do the reach out to these property owners
6 and to get all of those programs lined up and help
7 people apply. I think that's critical and I think,
8 you know, plus they could be a liaison to the
9 Historic Preservation Commission but I think we've
10 need-, we're long overdue for that. Number two and
11 three, the waivers and the modifications of the,
12 the ordinance for painting, I think those are fine.
13 I agree with those, but again they don't do very
14 much. The transfer of development rights, I have
15 some real concerns about that. I think that if you
16 look at the main boulevards and you look at where
17 we have mixed use overlays, we have transit
18 overlays, we have all of these sections carved out
19 of our main boulevards to increase density. Now
20 what this would do is it would basically fill in
21 what's left to make that higher density as well and
22 add potentially another story. So when we're
23 looking at this, everyone in theory says, we love
24 historic, or historic buildings, but when push

1 comes to shove is what are they willing to
2 sacrifice for it or what are they willing to pay
3 for it. So I think we need to be cognizant.
4 Number one, we...the money needs to let loose
5 of...the City needs to let loose of some money here
6 because as John Altschul said, we use it for
7 bragging rights all the time, but number two, other
8 owners, other property owners complain that if you
9 give something to these people, you know, they, of
10 course they use rhetorical language and say well
11 they're derelict landlords, why should they get
12 money for not taking care of their properties? SO
13 I think there are ways for us to find that we can
14 do this without sacrificing greater density in
15 other neighborhoods or sacrificing...giving them
16 something that other property owners will feel that
17 they don't deserve. This TDR I, I really think
18 we're going to get a lot of push back from
19 residents on yet another reason for more density.
20 I think that we're...we've already hit the tipping
21 point of what people will tolerate as far as
22 density. The one that intrigues me most is the, is
23 the recommendation, is the recommendation for the
24 historic apartment preservation program. Now I'll

1 also throw into that initial, those initial three
2 licensing fees, preservation, foundation, tours,
3 all that stuff is really good, but it's probably
4 again just peanuts. Now if I understand it
5 correctly, this historic apartment preservation
6 program that is recommended in the report by the
7 consultants as it is proposed here and City
8 Attorney please jump in anytime I go off the rails,
9 but as its proposed here, the one thing that really
10 makes this not work as far as using any kind of
11 grant money is that the real, the real bugaboo is
12 that the property owners are not allowed to waive
13 their rights to Ellis. So there would have to be
14 some kind of a situation where...so that's really
15 the main issue here. So I would suggest that we
16 look at another set of guidelines with help from
17 the City Attorney and help from staff to find
18 another way to do something, to do a program like
19 this with more substantial funds.

20 **Altschul:** Thank you, Sheila. David?

21 **Aghaei:** So I feel like I have an interesting perspective on
22 this because I manage a building, it's not
23 necessarily historic, but it's older and, you know,
24 one of the reasons I feel like I'm more fortunate

1 is because I have some of the technical background
2 that's required to kind of bring these...to bring
3 the building up to date and, you know, you get
4 creative in figuring out how to finance it because,
5 you know, it's...you know, I was fortunate enough
6 to go to law school and, you know, I'm...I know the
7 right people and I know how to, you know, kind of
8 bring...well so does the City Attorney, but you
9 know, you know, you kind of, you know, see how to
10 bring this together but there...it's definitely
11 difficult bringing an older building, you know, up
12 to speed and it's costly. For instance, you know,
13 we have an older elevator in the building and, you
14 know, it was getting to a point where it wasn't
15 serviceable anymore and, you know, it's...we were
16 spending, you know, a substantial five figure sum
17 bringing it up to stuff for, you know, for our
18 tenants, but it's something that we feel that, you
19 know, we need to do to make this, you know, to make
20 the building, not, not so much, I mean it's
21 already, it's habitable but to make it, you know,
22 to bring it up to par with, you know, what everyone
23 in the City, you know, what we feel our tenants
24 deserve and so that being the case, you know, I'm

1 also cognizant of the fact that a good number of
2 landlords in the City, specifically those that own
3 historic properties aren't as either, you know, may
4 not be as savvy or may not have access to the
5 technical expertise to do all this work or may not
6 be able to bring together the financing because
7 they bought the building...well we have the data as
8 to when they bought it, some of them...you know,
9 they got a good...some of them think they got a
10 good deal and a two percent cap rate and they're
11 happy with, you know, you know, beating the money
12 they're making in the bank but so, you know,
13 there's no question that the incentives are
14 necessary and I, I like Commissioner Buckner and
15 Commissioner Jones, I feel like, you know, this is
16 a good first step. I feel like more can be done.
17 Because it's, you know, it's not...you know, a good
18 chunk of the landlords in the City don't know, you
19 know, what the next step is and it would be
20 wonderful to have someone on staff with technical
21 expertise because, you know, the, the 85-year-old
22 woman who inherited the building from her family so
23 many...she won't know what to do and she may not
24 know who to call, so it's...I feel like this is a

1 good first step, but I...you know, as mentioned
2 before, I think, you know, we should look at more
3 options than, you know, what's before us, so that's
4 kind of where I'm at.

5 **Altschul:** Okay, Roy?

6 **Huebner:** Yeah, I, I'll speak as another former landlord with
7 some experience in this and I bought a 1902
8 Victorian in San Francisco when I was 27 and I was
9 not nearly as savvy as Commissioner Aghaei. But
10 real estate is a business. It's an investment and
11 it has risks and rewards and I knew that when I got
12 into it. It was the only way I could afford to
13 stay in the City basically and yeah, the building
14 wasn't historical, it was just old. You know, it's
15 just old and it took 30 years to go cash flow
16 positive and I replaced the plumbing and I replaced
17 the electrical and I painted it three times and I
18 replaced the roof and I voluntarily did a seismic
19 upgrade, and none of them were cheap but it's what
20 you...if you have pride in what you own, that's
21 kind of what you want to do and I, I realize that
22 yeah, you have to be a little creative and I think
23 I really want to thank staff and the consultants
24 for doing a great job. I thought it was really

1 comprehensive, really some great information. It,
2 it's a first step. Like we talked about the
3 seismic studies coming up, there's the whole
4 multifamily rehabilitation of the aging housing
5 stock that's coming up and I think this is just
6 a...this is a good first step as we look at
7 comprehensively what the City needs to do with its
8 housing stock in general, whether it's historic or
9 whether it's just old. But I do think because I
10 wasn't very savvy at 27 and I would love to have
11 had somebody in San Francisco to go to and talk
12 about what kind of, any kind of incentives or
13 grants or low interest, whatever I could've gotten
14 at that time instead of eating macaroni and cheese
15 for years in order to, in order to maintain the
16 building and I, you know, I think...I don't think
17 on-call is enough, I really just do not think
18 that's enough. I think that it's...with what's
19 coming up, a full time staff person would really be
20 justified if it's helping them with the seismic, if
21 it's helping them with the multifamily housing
22 stock, there's just so much coming up that I think
23 the public...we need to be extremely proactive to
24 let everybody know what's available and help them

1 out and walk them through, like David said, you
2 know, some, somebody who inherits a piece of
3 property and doesn't really know what to do with
4 it, I think we, we owe that to them in order to, in
5 order to help with, you know, maintaining the whole
6 stock of housing in the City, rent stabilized or,
7 you know, or not. But like I said, I think it's a
8 really good first step and I just hope
9 everybody...it's, it's just, it's just the
10 beginning of I think a comprehensive program as we
11 look at these other ones, so I hope the rest of the
12 Commission supports it.

13 **Altschul:** Donald?

14 **DeLuccio:** So Stacey, is this what was historic preservation?

15 **Jones:** Donald, did you not (INAUDIBLE)?

16 **DeLuccio:** There's nothing (talking over), there's
17 absolutely...I was...I read everything, there's
18 absolutely nothing, no labeling on this.

19 **Jones:** (Talking over).

20 **DeLuccio:** There's no labeling on this, so I did not know what
21 to do with it.

22 **Lightfoot:** I thought it was, I thought it was a free giveaway
23 like they give us every once in a while.

24 **DeLuccio:** I, I (talking over), didn't get around to it.

1 **Lightfoot:** I had no clue.

2 **DeLuccio:** I appreciate that. Anyway (talking over), so
3 anyway just I think we need to sort of come, wrap
4 this up a little bit and I think I, I think I'm
5 hearing consensus that probably there should be the
6 recommendation to dedicate a staff member for the
7 on-call for the technical assistance. I think
8 there needs to be educat-, whatever we...however
9 this program gets implemented by Council gives the
10 blessing to, we definitely need to have an...yeah,
11 we need to implement an educational outreach. I
12 mean just to have, have this there and, and there's
13 no outreach for, for you know, landlords to know
14 about it, it's not going to do any good and I also
15 think what's...that I want to thank staff and, and
16 this was very well thought out. I read through all
17 the material and it was very well thought out and
18 but there were a lot of financial incentives in
19 here that we're not obviously acting on this
20 evening. I think one, one thing I think Cynthia
21 Blatt brought up was the...were the grants and I
22 think...and you also Stephanie told us the grants
23 actually could apply to four buildings in the City,
24 so I think when this goes to Council, that needs to

1 be flushed out some more and not just say that we
2 cannot be giving gifts away. That, that definitely
3 I think needs to be presented in a different light
4 and finally, I like the historic apartment
5 preservation program. I know it could be very
6 costly to do and I actually like what I'm hearing
7 here this evening that a way to tie it in after we,
8 we look at a seismic retrofitting in the City, what
9 needs to be done and the aging stock and the
10 multifamily rehabilitation, maybe there will be
11 ways to tie all that together and come up with some
12 financial incentives at that time, but I think
13 going forward, I'm hearing that we just can't bring
14 this forward to Council and say yeah, there's all
15 these financial incentives in the documentation,
16 but I think for me especially do our job, I think
17 some of this stuff needs to be spelled out that
18 right now maybe we're not offering all these, or
19 some of these financial incentives, but going
20 forward we need to put more teeth into this and we
21 need to, to down the road include some...the City
22 needs to step up to the plate and include some
23 financial incentives.

24 **Lightfoot:** Chair Altschul, may I, may I add something before

1 you, before you go ahead to finish what...something
2 that I was talking about prior?

3 **Altschul:** How long?

4 **Lightfoot:** Just a couple, just, just really just a couple of
5 minutes. I, I just wanted to...I went to get a
6 drink of water and you cut me off and moved on to
7 somebody else. I wasn't finished. I just wanted
8 to say a couple of other things.

9 **Altschul:** After two minutes I'm going to suggest you get it
10 (talking over).

11 **Lightfoot:** Okay, it's not going to be two minutes. I just
12 want to add that, that I, you know, I...again back
13 to this historic apartment preservation program,
14 the HPC recommended that and since it, it will not
15 work in its current proposed form from the Planning
16 Commission, or from the HPC, I would like to just
17 suggest something that perhaps staff and the City
18 attorney could look at as an alternate to a program
19 like that and that is instead of, instead of
20 signing a covenant to keep the building, the units
21 rent stabilized, approach the owners with the
22 possibility of designating a number of apartments
23 that are far below market rate now to convert to
24 affordable units, even if it's at moderate

1 affordable units once those units are vacated for X
2 number of years in exchange for funds, and along
3 with looking at that, I think that one possibility
4 we should look at for funding is our in lieu fees
5 and whether or not in lieu fees, if this were tied
6 to affordable housing could be used. So I just
7 think it would be nice to have the City attorney
8 and the staff look through this a little bit more
9 and explore it a little bit more to see if we can
10 make some tweaks to offer up to the City Council.
11 That's it.

12 **Altschul:**

12 Thank you. I think that Grafton had the correct
13 term for this staff recommendation and that is,
14 it's de minimis. And, and it doesn't solve a
15 problem and what I think the City Council should do
16 is go back to the staff and tell them that the City
17 can't on one hand back (INAUDIBLE) all over the
18 place that we need more affordable housing and sit
19 here and watch our current affordable housing stock
20 rot. So we have to preserve our existing
21 affordable housing before we can take pride in
22 giving more affordable housing units to developers
23 such as Avalon Bay who are building more than is
24 required at this particular point at the site that

1 they're building where the Movie Town Plaza was.
2 It's, it's ridiculous. So let's just straighten
3 out the political realities here and look at what
4 we need to do. We need to give staff the direction
5 that the existing housing stock should take equal
6 priority in preservation to the new affordable
7 housing that, that is being given an enormous boost
8 and developers are given enormous benefits and even
9 Governor Brown is saying to cities, you're going to
10 have to give over the counter approval to
11 developers who are giving affordable housing a
12 tremendous, tremendous boost if you read
13 yesterday's L.A. Times California section. Housing
14 is a tremendous priority in California today. We
15 need it, but let's not forget what we've got and we
16 have fantastic housing here in this City. Let's
17 not let it go by the wayside. And let's not tell
18 the world and let's not tell our residents that we
19 don't give the utmost priority to what the people
20 are living in right now. Everybody loves the
21 apartments they're living in. Let's maintain them.
22 Let's not on one side of the page say the next
23 generation will not be able to live in the units
24 that are now affordable because the electrical and

1 the plumbing isn't going to survive it. Let's take
2 care of it so that it will survive it. And let's
3 be realistic. So you know, let's just let the
4 Council not politicize it to the extent that it is
5 and say rent control and the new affordable housing
6 is what they're providing and let's let the Council
7 and let's let the staff and let's let our
8 Commission be the leaders in saying we're going to
9 give our existing stock equal priority to new
10 affordable housing along with what the Governor is
11 mandating. So that's what I suggest, compared with
12 the rest of the Commissioners...let's explore,
13 let's....

14 **Jones:** We can make a motion.

15 **Altschul:** Let's incorporate...yes.

16 **Lightfoot:** Yeah, can we find some consensus to make a motion?

17 **Altschul:** Let's incorporate that and state...motion.

18 Hopefully it will affect the concern....

19 **Jones:** I mean, let's...we can talk about it, but I
20 was...this is what I'm thinking. So like to make a
21 motion to move forward with staff's recommendation
22 with the additions of the historic apartment
23 preservation program. Are we all in agreement that
24 that would be helpful in terms of capital. This is

1 item number....

2 **Lightfoot:** Yeah, for, for staff, for....

3 **Jones:** Oh, what Ed Levin submitted, the...it's, it's
4 in...it's on page 30 of the Page & Turnbull draft
5 report.

6 **Lightfoot:** Yeah, for staff to explore how it could be, how it
7 could be reworked that would, that would satisfy
8 the....

9 **Jones:** Make it feasible, legal, etc.

10 **Lightfoot:** Yeah, it would satisfy the law as well.

11 **Jones:** I also think that we should move to approve the...I
12 believe it's the first incentive, but to make that
13 person a full time staff member.

14 **DeLuccio:** Yeah, that's (talking over).

15 **Jones:** Are we all in agreement? I think we're all in
16 agreement that that would be helpful. It does
17 sound like the CDBG grants are not as feasible but
18 I don't know but I think we all think they should
19 be off the table completely.

20 **DeLuccio:** It needs to be flushed out for what they are.

21 **Jones:** I think Council should see them. I think Council
22 should see it as an option and I'd also like to
23 move forward with recommending the addition of an
24 incentive for licensing fees, preservation,

1 foundation and tours as an additional way to garner
2 funds for owners of historic buildings.

3 **Altschul:** And I would suggest also that we become proactive
4 in leading property owners to file Mills Act
5 applications.

6 **Jones:** Yes. And...oh, sorry.

7 **DeLuccio:** And we also need to be proactive about educational
8 outreach for the, for the program that is put into
9 place.

10 **Jones:** And is there a way that we can also caveat that
11 this be co-prioritized or prioritized within the
12 seismic study or at least accounted for? I tried
13 to spell it all out for you here. I took....

14 **Langer:** I can repeat it if you want. Let me just write
15 that down.

16 **Jones:** We go back and forth about this sometimes so....

17 **Langer:** Right. And there's not a formal resolution, so
18 it's really just conveying your comments to the
19 Council. So I have a motion to approve staff's
20 recommendation to the City Council of the four
21 recommended proposals with the additions. The
22 addition of the historic preservation program, the
23 easement program. Number one, making that staff
24 person a full time staff member, for staff also do

1 explore, making the easement program more feasible
2 before it goes to the Council, to flush out the
3 CDBG grant issue, to recommend approval of
4 licensing fees and tours and other income sources
5 for the property owners, to be...for the City to be
6 proactive to help owners get Mills Act contracts,
7 to do education outreach and to prioritize all of
8 this with the seismic study and the multifamily
9 study.

10 **DeLuccio:** Perfect.

11 **Aghaei:** Let's look at that motion.

12 **DeLuccio:** You seconding the motion?

13 **Aghaei:** I'll second her motion.

14 **Altschul:** Any discussion further (talking over), yes,
15 (talking over).

16 **Lightfoot:** I just, I just want to say that I am going to vote
17 for this because almost all that we're recommending
18 here I really like and I hope that our comments
19 will be taken into consideration as far as
20 direction, particularly for the historic apartment
21 preservation program. But I do, I do really have a
22 hesitation on the TDRs and I think that it could
23 really stir up a lot of ire within the community
24 with more, with more density on those few remaining

1 neighborhoods that aren't, that aren't already
2 allowed extra density. (Talking over) so I have
3 real reservations about that one.

4 **DeLuccio:** (Talking over) they would need to...the only
5 reservation about, you know, moving forward that'd
6 be is the need to, they need to flush that out. If
7 that...that's just a concept. It doesn't mean if
8 it's going to, if it's...if the Council wants to
9 move forward with that, it's going to be, have to
10 be implemented and then that would be the
11 opportunity to (talking over) input.

12 **Aghaei:** And a question, the TDRs would be used...

13 **Huebner:** Talking over) increased density anywhere.

14 **Aghaei:** ...they would, they would be used for sites that it
15 was...that, that are earmarked for....

16 **Huebner:** That's not already earmarked for it.

17 **Aghaei:** Right. It can only be used on sites that like
18 earmarks for in the general plan, is that correct?

19 **Lightfoot:** No. Those, those are the sites I'm talking about.
20 Along the, along the main boulevards, pretty much
21 what hasn't already been upgraded in density for
22 multiuse, for mult-, for mixed use and transit
23 overlay and all of that. They're filling in the
24 rest of this, most of the rest of the spaces with

1 extra density for this (talking over).

2 **Huebner:** (Talking over), it's just another way for them to
3 get a density (talking over).

4 **Lightfoot:** Yeah, now honestly if, if we decided to amend the
5 general plan and say for our mixed use program, if
6 you want to do mixed use as it, as it stands now,
7 you need to buy, you know, you need to buy these
8 credits. Then I would be, you know, for it, but
9 adding more density to more neighborhoods I think
10 is going to, is going to be an issue.

11 **DeLuccio:** It's kind of, it's kind of sad in a sense because
12 that, that's one of the...one of these (INAUDIBLE)
13 that has the most teeth in it of the four that's on
14 the table here. So I just feel like I, I'm open
15 minded at this point to go forward with it, which I
16 think the majority of us are and then if it happens
17 and we are going to implement it, it's going to
18 have to, it's going to have to go through some more
19 outreach and it'll probably come back here and
20 so....

21 **Altschul:** I think the members of the Council will flush all
22 this out and they'll, they'll put it together.

23 **DeLuccio:** Yeah.

24 **Altschul:** Okay, all those that are in agreement with the

1 general precepts that we outlined to send to them.
2 Everybody's weighed in as a yes. Nobody's weighed
3 in as a no. Moving on with the agenda. There is
4 no new business, no unfinished business, no
5 excluded consent calendar. Planning Manager, we
6 don't have a Planning Manager here tonight.

7 **AGhaei:** Yeah we do.

8 **Altschul:** No, we don't.

9 **DeLuccio:** Okay.

10 **Altschul:** Public comment, is there any David?

11 **Gillig:** No.

12 **Jones:** Is there a Planning Manager's update or not? Okay.

13 **Altschul:** No.

14 **DeLuccio:** She's going to...Jennifer's going to do it.

15 **Altschul:** Oh, all right.

16 **ITEM 14. ITEMS FROM STAFF - PLANNING MANAGER'S UPDATE**

17 **Alkire:** I'm just sitting in. So I just wanted to bring up
18 quickly the July 7th meeting, it's a holiday week
19 and we don't have anything on the agenda right now
20 that would...

21 **DeLuccio:** Cancel the meeting.

22 **Alkire:** ...be your next meeting, so if you wanted to
23 discuss how to address that.

24 **Altschul:** Well why don't we keep it open for a few days and

1 then you'll notify.

2 **Alkire:** Okay.

3 **DeLuccio:** Yeah, if there's nothing on it.

4 **Jones:** Maybe we should just cancel it.

5 **DeLuccio:** Why don't we just cancel the meeting 'cause you
6 would have to notice it by now, wouldn't you have
7 to do 30 day notice anyway for (talking over).

8 **Alkire:** So it'd be next week.

9 **DeLuccio:** Yeah, do you see, foresee noticing anything next
10 week?

11 **Alkire:** We don't have anything on the agenda yet at this
12 point.

13 **DeLuccio:** Okay, so....

14 **Altschul:** Why don't we keep it open for a week and you'll let
15 us know.

16 **Alkire:** Okay.

17 **DeLuccio:** If nothing happens in a week, then we'll just
18 cancel it.

19 **Buckner:** Cancel it.

20 **Alkire:** Okay, thank you.

21 **ITEM 15. PUBLIC COMMENT**

22 **Altschul:** Public comment, do we have any comments?

23 **Gillig:** We have three for the comments.

24 **Altschul:** Pardon?

1 **Gillig:** We have three.

2 **Altschul:** Go ahead.

3 **Gillig:** Our first one....

4 **Altschul:** Put 'em up there. I don't see them. Cynthia Blatt
5 to be followed by Grafton Tanquary.

6 **Blatt:** Hi, Cynthia Blatt, West Hollywood. I just want to
7 start by thanking the Commissioners for their
8 thoughtful comments and the motion in vote. It's
9 incredible , it's wonderful to see a Commission and
10 the citizens in accord with each other at such a
11 level. It's what happened in HPC and it really is
12 something, something great to see, so especially
13 Commissioner Jones and Commissioner Lightfoot and
14 Altschul and Commissioner DeLuccio, all of you,
15 thank you, really. I want to make one quick
16 correction. City Staff talked about only four
17 buildings were available for rehab under CDBG.
18 What she was talking about is that eligibility in
19 order to be compliant with the regulations must
20 pair with a national objective. If she was
21 talking...there's one of two national objectives
22 they could have chosen. One is called Low Mod
23 Area, one is called Low Mod Clientele depending on
24 the census tracts. I didn't get into national

1 objectives because the CDBG regulations are 150
2 pages of single spaced eight font typing and I
3 could get into the weeds with it, but the point is
4 that there are other, there are other national
5 objectives that CDBG eligibility could pair with
6 which would allow CDBG to be used in other areas of
7 the City besides the Low Mod income area or the Low
8 Mod clientele area which I don't want to get into
9 the weeds with that either unless anybody wants me
10 to. So there's that. I wanted to do a quick
11 lowdown on grants 101 in case anybody misunderstood
12 something. When there's a funding agency, whether
13 it's the Federal government, the State government,
14 the City or a foundation, basically just a couple
15 of things happen. Some entity says we have this
16 money that we're going to give away and here's what
17 we want you to do with it and then the applicant
18 applies and says if you give us this money, here's
19 what we'll do with it, here's our budget, here's
20 our plan, here's how we intend to carry it out and
21 then based on that, if it's competitive, the City
22 or the State, whoever the funding source is says
23 okay, we like what you have to say and, and so
24 here's your conditional award and then you show us

1 how you're going to meet that promise and once you
2 do that, there's a certain level of oversight
3 involved in this and you get the money
4 incrementally. Nobody hands anybody a check and
5 says go fix your building or here's your Federal
6 tax credits, go off to the Bahamas. This, this is
7 overseeing and that's true in all grants. And then
8 the final element is some sort of performance
9 evaluation report. Here's how we did and in the
10 course of that you might have a grant amendment but
11 that has to be, that has to be taken...approved by
12 the funding source so I just wanted to make that
13 clear. And the last thing that I wanted to make
14 clear was in order to receive Federal money, the
15 City must adhere to the Los Angeles County citizen
16 participation plan and one of the elements of that
17 citizen participation plan which is really
18 important is that whether or not City staff agrees
19 with public comment, they're bound to report it as
20 said, so they can, they can have a section that
21 says comments that were rejected or comments that
22 were not approved but no matter how the City feels
23 about it they have to report it...

24 **Altschul:** Thank you.

1 **Blatt:** ...and if they don't, they put their Federal money
2 at risk. Thank you.

3 **Altschul:** Thank you. Grafton Tanquary to be followed by
4 Stephanie Harker.

5 **Tanquary:** Thank you, just one small point in regard to
6 seismic retrofit. The City and Los Angeles and I
7 think most of the other Southern California
8 jurisdictions had a program in early 1994, if I
9 remember correctly, requiring that floors be
10 attached to the sides of the building. That was in
11 response to the problems they had I believe in
12 Mexico City when they...when the buildings fell
13 down, they just pancake. I believe that this round
14 is addressing a different problem based on problems
15 they found in the San Francisco earthquake and
16 because of the lack of support for buildings
17 that...in fact we were open on the ground, on the
18 ground floor, am I correct? Yeah. Okay, thank
19 you.

20 **Altschul:** Thank you, Stephanie Harker followed by Victor
21 Omelczenko.

22 **Harker:** Stephanie Harker, City of West Hollywood. Yes, I
23 too want to thank the Commissioners and the staff
24 and the consultants for this study and you

1 recognizing that this is a great first step. It is
2 good when we all agree and can move forward on
3 something. And I just loved that the study
4 considered the buildings the client. I mean most
5 of these buildings have lasted five generations
6 already and hopefully with good care they will last
7 longer. Also, I had one more thought. Last year I
8 think Stephanie DeWolfe brought up at Council
9 meeting the topic of developers providing community
10 benefits as a requirement for approval of a large
11 project and I'd love to see something along the
12 lines of adopt a historic building benefit where
13 the new developers would actually pay to rehab
14 affordable stock. They have lots of money, don't
15 they? Anyway, and then acknowledge those
16 developers with some kind of historic preservation
17 award. I let...hope that our buildings can age in
18 place as we're hoping that all of us do and
19 remembering that the greenest building is the one
20 that is already built. Thank you.

21 **Altschul:** Thank you, Victor Omelczenko and that'll be our
22 last speaker.

23 **Omelczenko:** Gee, I'm happy and my name is Victor Omelczenko. I
24 am a rent stabilized tenant here in the great

1 little city of West Hollywood and I want to thank
2 you commissioners for your analysis, for your input
3 and for expanding upon the four recommendations in
4 the staff report, to look into this historic
5 apartment preservation program as well as into the
6 City hiring what we've been asking for for so many
7 years, a full time staff member devoted to historic
8 preservation. I also look forward to hearing from
9 Commissioner Huebner as time goes on in the City as
10 the work that revolves, evolves into the seismic
11 study because that's very, very important. We
12 don't want to be left behind when the earth starts
13 moving and the soft story structure start dropping.
14 We want to be sure that we have systems in place to
15 strengthen these buildings in which so many of our
16 tenants live and on another topic, adding to the
17 work that Page & Turnbull and Place Economics did,
18 I know that there's another study currently ongoing
19 and we'll probably be hearing more. I'm just
20 hearing a little bit about it now, but why not know
21 a little bit about it in advance. It's the study
22 that's being done by BAE. I believe it is called
23 Bay Area Economics. It started last October and
24 that is going to be looking at what kind of

1 incentives and what are we as a City going to do
2 for the other 1,500 owners of apartment buildings,
3 not just the historic apartment buildings, but the
4 1,500 other apartment buildings that really need
5 help if we want to keep our affordable housing
6 stuff up, stock up and what we're going to as I
7 understand it have to come to grips with is that
8 there may have to be what this term is called cost
9 pass-throughs that when we do look at efforts to
10 rehabilitate our aging housing stock, there may
11 have to be some costs forwarded on to tenants who
12 are already living in those rent stabilized
13 buildings, just like the folks are paying a little
14 bit more in San Francisco and just like the City
15 Council in Los Angeles in its seismic program, I
16 guess recently voted that tenants, rent stabilized
17 tenants would be assessed up to an additional
18 \$39.00 a month in terms of their rents. So this is
19 something that I'm just bringing up now because we
20 can all start talking about that. I think we need
21 to educate people. We don't all want, don't want
22 to be shocked when we find out that maybe some of
23 us rent stabilized tenants are going to have to put
24 a little bit of money in and maybe get an increase

1 in or something to make sure that our housing stock
2 is safe and secure and so that we can age in place
3 and live out our lives in our nice little City
4 here, so thank you very much for all of your hard
5 work.

6 **Altschul:** Thank you. Items from Commissioners. Roy?

7 **ITEM 16. ITEMS FROM COMMISSIONERS**

8 **Huebner:** Nothing, thank you.

9 **Altschul:** Stacey?

10 **Jones:** Nope.

11 **Altschul:** Donald?

12 **DeLuccio:** Nothing.

13 **Altschul:** Sheila?

14 **Lightfoot:** Yeah, I just want to, I just want to say
15 Commissioner Jones you did an incredible job of
16 putting that motion together. Thank you.

17 **Altschul:** Sue?

18 **Buckner:** Thank you everybody for your participation tonight.
19 I thought it was a really good meeting and I think
20 we all worked together well, so thank you and have
21 a good night.

22 **Altschul:** David?

23 **Aghaei:** Nothing.

24 **Altschul:** Feel better.

1 **ITEM 17. ADJOURNMENT**

2 **Altschul:** And with that, the meeting is adjourned to
3 Thursday, July 7th, in this room at 6:30 which may
4 or may not happen. We'll let you know.

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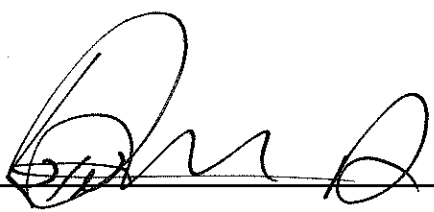
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PASSED, APPROVED AND ADOPTED by the Planning Commission of the City of West Hollywood at a regular meeting held this 4th day of August, 2016 by the following vote:

- | | | |
|----------|---------------|--|
| AYES: | Commissioner: | Altschul, DeLuccio, Jones, Lightfoot, Vice-Chair
Buckner, Chair Aghaei. |
| NOES: | Commissioner: | None. |
| ABSENT: | Commissioner: | Huebner. |
| ABSTAIN: | Commissioner: | None. |



DAVID AGHAEI, CHAIRPERSON

ATTEST:



DAVID K. GILLIG, COMMISSION SECRETARY



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CERTIFICATE AND

DECLARATION OF TRANSCRIBER

I, RHONDA GOERISCH, hereby declare as follows:

I am located at 21220 Devonshire Street, Suite 202-B, Chatsworth, California 91311. I am the person who transcribed the foregoing Planning Commission minutes of June 2, 2016. Present were the Planning Commission, Staff - John Keho, Jennifer Alkire, Stephanie Reich, Lauren Langer, and David, Gillig. Also present were consultants: John Lesak and Flora Chou from Page & Turnbull, and Donovan Rypkema, Place Economics.

I have transcribed this transcript to the best of my ability and certify that this written transcript is a true and accurate account thereof. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I further certify that I am not of counsel or attorney for any of the parties in the foregoing matter or in any way interested in the outcome of the matter set forth in this transcript.

EXECUTED this 1st day of July 2016 at Chatsworth, California.

A handwritten signature in black ink that reads "Rhonda Goerisch".

Rhonda Goerisch
Written Communications, Inc.